

County of Marquette, Michigan
Financial Statements
For the Year Ended
December 31, 2007

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COUNTY OFFICIALS

2008 BOARD OF COUNTY COMMISSIONERS

Chairman and 4th District Commissioner
GERALD O. CORKIN

Vice-Chairperson and 7th District Commissioner
DEBORAH PELLOW

1st District Commissioner
JIM CIHAK

2nd District Commissioner
HARVEY WALLACE

3rd District Commissioner
BRUCE HEIKKILA

5th District Commissioner
NICK JOSEPH

6th District Commissioner
PAUL ARSENAULT

8th District Commissioner
BOB STRUCK

9th District Commissioner
CHARLES BERGDAHL

ELECTED OFFICIALS OF MARQUETTE COUNTY

County Clerk Connie M. Branam
County Treasurer Anne Giroux
Drain Commissioner Patrick Michael Farrell
Mine Inspector John E. Carlson
Prosecuting Attorney Gary L. Walker
Register of Deeds Patricia A. Manley
Sheriff Michael H. Lovelace

ELECTED JUDICIARY

Circuit Judges Thomas L. Solka
..... John R. Weber
District Judges Roger Kangas
..... Dennis H. Girard
Probate Judge Michael J. Anderegg



Anderson, Tackman & Company, PLC

Certified Public Accountants

Marquette, Michigan 906-225-1166

Fax – 1-906-225-1714

Partners

John W. Blemberg, CPA

Robert J. Downs, CPA, CVA

Daniel E. Bianchi, CPA

INDEPENDENT AUDITOR'S REPORT

The Board of Commissioners of the
County of Marquette, Michigan
234 W. Baraga Avenue
Marquette, Michigan 49955

We have audited the accompanying financial statements of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Marquette, Michigan, as of and for the year ended December 31, 2007, which collectively comprise the County of Marquette, Michigan's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County of Marquette, Michigan's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Marquette County Medical Care Facility, which represents 15 percent, 14 percent, and 48 percent, respectively, of the assets, net assets, and revenues of the Business-type activities. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for Marquette County Medical Care Facility, is based on the report of the other auditors. We did not audit the financial statements of the Marquette County Road Commission, which represents 92 percent, 97 percent, and 98 percent, respectively, of the assets, net assets, and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for Marquette County Road Commission, is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinions.

The Board of Commissioners of the
County of Marquette, Michigan

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Marquette, Michigan, as of December 31, 2007, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 1, 2008, on our consideration of the County of Marquette, Michigan's internal control over financial reporting and our tests of its compliance with certain provision of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 5 through 11 and 48 and 51, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Marquette, Michigan's basic financial statements. The combining and individual fund nonmajor financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Anderson, Tackman & Company, PLLC
Certified Public Accountants

June 1, 2008

County of Marquette, Michigan

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

Our discussion and analysis of the County of Marquette's financial performance provides an overview of the County's financial activities for the year ended December 31, 2007. Please read it in conjunction with the financial statements, which begin on page 12.

FINANCIAL HIGHLIGHTS

The assets of the County exceeded its liabilities at the close of the most recent fiscal year by \$99,119,100 (net assets). Of this amount, \$28,152,723 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.

Net assets for the County as a whole increased by \$8,212,748. Net assets of our business-type activities increased by \$8,130,400, and net assets of our governmental activities increased by \$82,348.

During the year, the County had expenses for governmental activities that were \$28,031,536, and expenses for business-type activities that were \$16,151,975.

The General Fund reported a net fund balance of \$2,549,198, an increase of \$947,360. At the end of the current fiscal year, unreserved and undesignated fund balance for the General Fund was \$2,474,909, or 13.2% of total General Fund expenditures (including operating transfers).

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 12 & 13) provide information about the activities of the County as a whole and present a longer-term view of the County's finances. Fund financial statements start on page 14. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for the future spending. Fund financial statements also report the County's operations in more detail than the government-wide statements by providing information about the County's most significant funds. The remaining statements provide financial information about activities for which the County acts solely as a trustee or agent for the benefit of those outside the government.

Reporting the County as a Whole

Our analysis of the County as a whole begins on page 7. One of the most important questions asked about the County's finances is, "Is the County as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the County as a whole and about its activities in a way that helps answer this question. These statements include *all* assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. These two statements report the County's *net assets* and changes in them. You can think of the County's net assets - the difference between assets and liabilities - as one way to measure the County's financial health, or *financial position*. Over time, *increases or decreases* in the County's net assets are one indicator of whether its *financial health* is improving or deteriorating. You will need to consider other non-financial factors, however, such as

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)

changes in the County's patron base and the condition of the County's capital assets, to assess the *overall financial health* of the County.

In the Statement of Net Assets and the Statement of Activities, we divide the County into three kinds of activities:

- Governmental activities – Most of the County's basic services are reported here, including the legislative, judicial, public safety, recreation and culture, and general services and administration. Property taxes, charges for services and state sources fund most of these activities.
- Business-type activities – The County charges a fee to customers to help it cover all or most of the cost of certain services it provides. The County's Medical Care Facility, Airport, K.I. Sawyer Water & Sewer, and Forest Recreation Funds are reported here.
- Component units – The County includes the Road Commission in its report. Although it is a legally separate entity, this "component unit" is important because the County is financially accountable for it.

Reporting the County's Most Significant Funds

Our analysis of the County's major funds begins on page 10. The fund financial statements begin on page 14 and provide detailed information on the most significant funds – not the County as a whole. Some funds are required to be established by State law and by bond covenants. However, the County Commission establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using taxes, grants, and other money. The County's two kinds of funds - *governmental* and *proprietary* - use different accounting approaches.

- *Governmental Funds* – Most of the County's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can be readily converted into cash. The governmental fund statements provide a detailed *short-term view* of the County's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. We describe the relationship (or differences) between governmental *activities* (reported in the Statement of Net Assets and Statement of Activities) and governmental *funds* in a reconciliation which follows the fund financial statements.
- *Proprietary Funds* – When the County charges customers for the services it provides – whether to outside customers or to other units of the County – these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities. In fact, the County's enterprise funds (a component of proprietary funds) are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds. We use internal service funds (the other component of proprietary funds) to

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)

report activities that provide supplies and services for the County's other programs and activities – such as the Delinquent Tax Revolving Funds.

The County as Trustee

The County is the trustee, or fiduciary, for assets that – because of a trust arrangement – can be used only for the trust beneficiaries. All of the County's fiduciary activities are reported in separate Statements of Fiduciary Net Assets on page 21. We exclude these activities from the County's other financial statements because the County cannot use these assets to finance its operations. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

The County as a Whole

Table I provides a summary of the County's net assets as of December 31, 2007.

Table 1
Net Assets

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2007	2006	2007	2006	2007	2006
Current and Other Assets	26,011,400	\$25,064,110	15,897,757	\$14,974,673	41,909,157	\$40,038,783
Capital Assets, net	5,892,562	5,999,438	63,477,945	56,450,692	69,370,507	62,450,130
Total Assets	31,903,962	31,063,548	79,375,702	71,425,365	111,279,664	102,488,913
Current Liabilities	9,351,171	8,590,142	638,992	842,740	9,990,163	9,432,882
Non-current Liabilities	1,440,436	1,443,399	729,965	706,280	2,170,401	2,149,679
Total Liabilities	10,791,607	10,033,541	1,368,957	1,549,020	12,160,564	11,582,561
Net Assets:						
Invested in capital assets, net of related debt	5,892,562	5,999,438	69,477,945	56,450,692	69,370,507	62,450,130
Restricted	916,281	772,995	679,589	126,600	1,595,870	899,595
Unrestricted (deficit)	14,303,512	14,257,574	13,849,211	13,299,053	28,152,723	27,556,627
Total Net Assets	21,112,355	\$21,030,007	78,006,745	\$69,876,345	99,119,100	\$90,906,352

Net assets of the County's governmental activities stood at \$21,112,355. *Unrestricted* net assets—the part of net assets that could be used to finance day-to-day activities without constraints established by debt covenants, enabling legislation, or other legal requirements stood at \$14,303,512. The \$14,303,512 in unrestricted net assets of governmental activities represents the accumulated results of all past years' operations. The operating results of the General Fund will have a significant impact on the change in unrestricted net assets from year to year. For 2007, unrestricted net assets increased by \$45,938.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)

The net assets of our business-type activities stood at \$78,006,745. The County can generally only use these net assets to finance continuing operations of the business-type activities.

The results of this year's operations for the County as a whole are reported in the Statement of Activities (see Table 2), which shows the changes in net assets for fiscal year 2006.

Table 2
Change in Net Assets

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2007	2006	2007	2006	2007	2006
Program Revenues:						
Charges for Services	5,074,385	\$5,650,796	14,731,660	\$15,450,106	19,806,045	\$21,100,902
Operating Grants and Contributions	6,130,739	6,054,752	395,334	197,874	6,526,073	6,252,626
Capital Grants and Contributions	-	-	8,405,811	5,400,716	8,405,811	5,400,716
General Revenues:						
Property taxes	13,911,769	15,521,361	-	-	13,911,769	15,521,361
State sources	-	-	-	-	-	-
Interest and Miscellaneous	3,555,096	2,713,800	191,465	288,300	3,746,561	3,002,100
Total Revenues	28,671,989	29,940,709	23,724,270	21,336,996	52,396,259	51,277,705
Program Expenses						
Legislative	235,366	228,801	-	-	235,366	228,801
Judicial	6,035,986	5,679,765	-	-	6,035,986	5,679,765
Management	1,158,409	1,022,702	-	-	1,158,409	1,022,702
Public Records	1,617,001	1,631,871	-	-	1,617,001	1,631,871
Law Enforcement	7,091,615	6,673,082	-	-	7,091,615	6,673,082
Human Services	6,016,257	5,924,919	-	-	6,016,257	5,924,919
Resource						
Management/Development	2,002,250	2,142,938	-	-	2,002,250	2,142,938
Other	3,874,652	4,607,603	-	-	3,874,652	4,607,603
Interest on Long-Term Debt	-	-	-	-	-	-
Medical Care Facility	-	-	11,097,529	11,286,521	11,097,529	11,286,521
Airport	-	-	3,433,024	3,284,093	3,433,024	3,284,093
Forestry	-	-	198,483	216,400	198,483	216,400
Foreclosure	-	-	54,471	50,253	54,471	50,253
100% Tax Payment	-	-	13,416	8,739	13,416	8,739
Sewer	-	-	912,338	979,543	912,338	979,543
Water	-	-	442,714	395,192	442,714	395,192
Total Expenses	28,031,536	27,911,681	16,151,975	16,220,741	44,183,511	44,132,422
Excess (deficiency) before transfers	640,453	2,029,028	7,572,295	5,116,255	8,212,748	7,145,283
Transfers	(558,105)	(595,835)	558,105	595,835	-	-
Increase (decrease) in net assets	82,348	1,433,193	8,130,400	5,712,090	8,212,748	7,145,283
Net assets, Beginning	21,030,007	19,596,814	69,876,345	64,164,255	90,906,352	83,761,069
Net assets, Ending	21,112,355	\$21,030,007	78,006,745	\$69,876,345	99,119,100	\$90,906,352

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)

The County's total revenues were \$52,396,259. The total cost of all programs and services was \$44,183,511, resulting in an increase in net assets of \$8,212,748. Our analysis below separately considers the operations of governmental and business-type activities:

Governmental Activities

The net assets of the County's governmental activities increased \$82,348 for the year ended December 31, 2007.

Expenses for the year ended December 31, 2007, increased \$119,855 from the previous year.

Table 3 presents the cost of each of the five largest programs - Human Services, Law Enforcement, Resource Management/Development, Courts and Other - as well as each program's net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that each program placed on the County's operation.

Table 3
Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2007	2006	2007	2006
Law Enforcement	7,091,615	\$6,673,082	4,449,150	\$3,957,140
Human Services	6,016,257	5,924,919	2,294,196	1,960,418
Courts	6,035,986	5,679,765	3,209,864	3,032,189
Resource Management/Development	2,002,250	2,142,938	1,093,002	1,389,191
Other	3,874,652	4,607,603	3,874,652	4,090,676

Business-type Activities

During the year ended December 31, 2007, the net assets of the County's business-type activities increased by \$8,130,400. The primary reason for the increase in assets is the result of recognition of federally-funded airport capital projects.

Although the Medical Care Facility Fund reported operating income of \$137,520, non-operating revenues and intergovernmental transfers resulted in an increase in net assets of \$578,452.

The Airport Fund reported operating income of \$6,981,375. This amount included recognition of \$8,250,528 in federally-funded airport improvements projects during this year. The Airport Fund recorded depreciation expenses of \$1,066,993.

The Sewer Fund reported an operating loss of \$171,338. This amount included depreciation expense of \$261,128.

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)

The Water Fund reported an operating loss of \$124,495. This amount included depreciation expense of \$118,715.

The Forest Recreation Fund reported operating loss of \$93,705 with non-operating revenues of \$34,463 for the year ended December 31, 2007. The fund recognized an decrease in net assets of \$64,324.

THE COUNTY'S FUNDS

As the County completed the year, its governmental funds (as presented in the balance sheet on page 14 reported a *combined* fund balance of \$15,403,024, an increase of \$102,804 from the beginning of the year.

The net assets of the County's General Fund increased by \$947,360, and all other government funds decreased by \$844,556 as a result of standard governmental operations.

General Fund Budgetary Highlights

Over the course of the year, the County Commission revised the budget several times.

The amendments resulted in a net increase to budgeted general fund expenses of \$516,080. Significant adjustments included 258,208 in Federal grants for pass through to sub-grantees. With these adjustments, actual charges to expenditures were \$917,279 less than the final amended budget. Revenues were \$190,081 more than the final budget projection.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal 2007, the County had \$69,370,507 invested in a variety of capital assets including land, buildings, and other equipment. (See table 4 below).

Table 4
Capital Assets at Year-End (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Land	367,733	367,733	15,270,486	15,270,486	15,638,219	15,638,219
Land Improvements	8,266	9,185	9,890,565	9,489,652	9,898,831	9,498,837
Buildings	4,374,222	4,346,363	35,253,008	27,929,740	39,627,230	32,276,103
Equipment	1,142,341	1,276,157	823,465	1,020,003	1,965,806	2,296,160
Construction in Progress	-	-	83,882	456,576	83,882	456,576
Utility Systems	-	-	2,156,539	2,284,235	2,156,539	2,284,235
	<u>5,892,562</u>	<u>5,999,438</u>	<u>63,477,945</u>	<u>56,450,692</u>	<u>69,370,507</u>	<u>62,450,130</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (Continued)

Debt

At year end, the County had no outstanding debt.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

In preparing the County's budget for the year ending December 31, 2008, the current economic health of the State of Michigan was of great concern. The deterioration of the state's economy will likely result in additional decreases in state funding.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the County Administrator's Office at Marquette County Courthouse, Marquette, Michigan 49855.

COUNTY OF MARQUETTE, MICHIGAN

STATEMENT OF NET ASSETS

December 31, 2007

	Primary Government			Component
	Governmental	Business Type	Total	Units
	Activities	Activities		
ASSETS				
Current Assets:				
Cash and equivalents	\$ 10,122,842	\$ 8,716,822	\$ 18,839,664	\$ 4,919,506
Cash and equivalents - restricted	-	3,760,211	3,760,211	-
Investments	7,914,867	-	7,914,867	-
Receivables (net)	7,540,415	3,393,017	10,933,432	4,913,557
Primary government internal balances	20,000	-	20,000	-
Other current assets	413,276	27,707	440,983	1,737,787
TOTAL CURRENT ASSETS	26,011,400	15,897,757	41,909,157	11,570,850
Noncurrent assets:				
Capital Assets	5,892,562	63,477,945	69,370,507	45,132,850
Total Capital Assets	5,892,562	63,477,945	69,370,507	45,132,850
TOTAL NONCURRENT ASSETS	5,892,562	63,477,945	69,370,507	45,132,850
TOTAL ASSETS	31,903,962	79,375,702	111,279,664	56,703,700
LIABILITIES:				
Current Liabilities:				
Accounts payable	1,563,589	345,284	1,908,873	1,083,463
Accrued payroll and related	497,540	293,708	791,248	147,821
Deferred revenue	7,169,437	-	7,169,437	250,000
Current portion of compensated absences	120,605	-	120,605	-
Current portion of bonds payable	-	-	-	775,000
Current portion of notes and contracts payable	-	-	-	-
Other current liabilities	-	-	-	-
TOTAL CURRENT LIABILITIES	9,351,171	638,992	9,990,163	2,256,284
Noncurrent Liabilities:				
Compensated absences	1,440,436	729,965	2,170,401	454,462
Bonds payable	-	-	-	2,764,531
Long-term contracts and notes payable	-	-	-	522,860
Other	-	-	-	-
TOTAL NONCURRENT LIABILITIES	1,440,436	729,965	2,170,401	3,741,853
TOTAL LIABILITIES	10,791,607	1,368,957	12,160,564	5,998,137
NET ASSETS				
Invested in capital assets net of related debt	5,892,562	63,477,945	69,370,507	44,332,850
Restricted for:				
Other activities	916,281	679,589	1,595,870	6,314,968
Unrestricted	14,303,512	13,849,211	28,152,723	57,745
TOTAL NET ASSETS	\$ 21,112,355	\$ 78,006,745	\$ 99,119,100	\$ 50,705,563

The accompanying notes are an integral part of these financial statements

COUNTY OF MARQUETTE, MICHIGAN

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2007

Program Revenues					Net (Expense) Revenue and Changes in Net Assets			
Function / Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units
					Governmental Activities	Business Type Activities	Total	
Primary Government:								
Governmental Activities:								
Legislative	\$ 235,366	\$ 14,770	\$ 29,771	\$ -	\$ (190,825)	\$ -	\$ (190,825)	\$ -
Courts	6,035,986	1,481,675	1,344,447	-	(3,209,864)	-	(3,209,864)	-
Management	1,158,409	-	-	-	(1,158,409)	-	(1,158,409)	-
Public records	1,617,001	841,823	218,864	-	(556,314)	-	(556,314)	-
Law enforcement	7,091,615	715,153	1,927,312	-	(4,449,150)	-	(4,449,150)	-
Human services	6,016,257	1,237,516	2,484,545	-	(2,294,196)	-	(2,294,196)	-
Resource management/Development	2,002,250	783,448	125,800	-	(1,093,002)	-	(1,093,002)	-
Other	3,874,652	-	-	-	(3,874,652)	-	(3,874,652)	-
Interest on long-term debt	-	-	-	-	-	-	-	-
Total Governmental Activities	28,031,536	5,074,385	6,130,739	-	(16,826,412)	-	(16,826,412)	-
Business Type Activities:								
Medical Care Facility	11,097,529	11,235,049	-	-	-	137,520	137,520	-
Airport	3,433,024	1,647,619	360,971	8,405,811	-	6,981,377	6,981,377	-
Forestry	198,483	70,416	34,363	-	-	(93,704)	(93,704)	-
Foreclosure	54,471	109,987	-	-	-	55,516	55,516	-
100 % Tax Payment Funds	13,416	609,372	-	-	-	595,956	595,956	-
Sewer Fund	912,338	740,999	-	-	-	(171,339)	(171,339)	-
Water Fund	442,714	318,218	-	-	-	(124,496)	(124,496)	-
Total Business Type Activities	16,151,975	14,731,660	395,334	8,405,811	-	7,380,830	7,380,830	-
TOTAL PRIMARY GOVERNMENT	\$ 44,183,511	\$ 19,806,045	\$ 6,526,073	\$ 8,405,811	(16,826,412)	7,380,830	(9,445,582)	-
Component Units:								
County Road Department	9,147,375	2,736,789	5,730,707	3,028,590	-	-	-	2,348,711
EDC Fund	432,814	70,310	-	-	-	-	-	(362,504)
DPW Debt Funds	117,552	119,889	-	-	-	-	-	2,337
Raney Creek Maintenance Fund	-	-	-	-	-	-	-	-
TOTAL COMPONENT UNITS	\$ 9,697,741	\$ 2,926,988	\$ 5,730,707	\$ 3,028,590	-	-	-	1,988,544
General Revenues:								
Taxes					13,911,769	-	13,911,769	-
Unrestricted State sources					-	-	-	-
Interest and investment earnings					1,076,558	191,465	1,268,023	339,108
Miscellaneous					2,478,538	-	2,478,538	55,609
Transfers					(558,105)	558,105	-	-
TOTAL GENERAL REVENUES AND TRANSFERS					16,908,760	749,570	17,658,330	394,717
CHANGE IN NET ASSETS					82,348	8,130,400	8,212,748	2,383,261
Net assets, beginning of year					21,030,007	69,876,345	90,906,352	48,322,302
NET ASSETS, END OF YEAR					\$ 21,112,355	\$ 78,006,745	\$ 99,119,100	\$ 50,705,563

The accompanying notes are an integral part of these financial statements

COUNTY OF MARQUETTE, MICHIGAN
GOVERNMENTAL FUNDS

December 31, 2007

	General Fund	Health Department Fund	Community Development Fund	Maintenance of Effort Fund	Other Governmental Funds	Total
ASSETS						
Cash and investments	\$ 4,095,048	\$ -	\$ 146,219	\$ 1,714,617	\$ 11,182,771	\$ 17,138,655
Receivables	209,456	202,149	-	830,170	2,556,319	3,798,094
Taxes receivable	765,351	-	-	-	-	765,351
Due from State	-	158,311	-	-	332,727	491,038
Due from others	23,574	12,224	-	-	-	35,798
Due from other funds	27,449	-	-	-	-	27,449
Loans Receivable	-	-	2,155,691	-	292,523	2,448,214
Other assets	364,512	47,475	-	-	-	411,987
TOTAL ASSETS	\$ 5,485,390	\$ 420,159	\$ 2,301,910	\$ 2,544,787	\$ 14,364,340	\$ 25,116,586
LIABILITIES AND FUND BALANCE						
LIABILITIES:						
Cash and investments overdraft	\$ -	\$ 317,072	\$ -	\$ -	\$ 43,159	\$ 360,231
Accounts payable	148,535	24,861	-	79,396	88,634	341,426
Due to State	-	-	-	24,127	-	24,127
Due to others	-	-	-	-	1,192,747	1,192,747
Due to other funds	-	-	-	-	7,449	7,449
Accrued payroll and related	413,913	33,919	-	-	49,708	497,540
Accrued sick and vacation	60,181	42,604	-	-	17,820	120,605
Deferred revenue	2,313,563	-	2,155,691	886,643	1,813,540	7,169,437
TOTAL LIABILITIES	2,936,192	418,456	2,155,691	990,166	3,213,057	9,713,562
FUND BALANCE						
Designated for:						
Capital Outlay	-	-	-	-	303,961	303,961
Debt service	-	-	-	-	-	-
Other	74,289	-	-	-	382,031	456,320
Unreserved, reported in:						
General Fund	2,474,909	-	-	-	-	2,474,909
Special Revenue Funds	-	1,703	146,219	1,554,621	10,465,291	12,167,834
Capital Projects Funds	-	-	-	-	-	-
TOTAL FUND BALANCE	2,549,198	1,703	146,219	1,554,621	11,151,283	15,403,024
TOTAL LIABILITIES AND FUND BALANCE	\$ 5,485,390	\$ 420,159	\$ 2,301,910	\$ 2,544,787	\$ 14,364,340	\$ 25,116,586

The accompanying notes are an integral part of these financial statements.

COUNTY OF MARQUETTE, MICHIGAN

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS

December 31, 2007

Total Fund Balances for Governmental Funds	\$ 15,403,024
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*Amounts reported for governmental activities in the statement
of net assets are different because:*

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	5,289,470
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Internal service funds are used by management to administer the activities of the Delinquent Tax Revolving Funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets, net of capital assets.	1,860,297
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Long-term liabilities, including bonds payable, are not due and payable
in the current period and therefore are not reported in the funds.

Compensated absences	<u>\$ 1,440,436</u>	(1,440,436)
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NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 21,112,355</u></u>
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The accompanying notes are an integral part of these financial statements.

COUNTY OF MARQUETTE, MICHIGAN

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

For the Fiscal Year Ended December 31, 2007

	<u>General Fund</u>	<u>Health Department Fund</u>	<u>Community Development Fund</u>	<u>Maintenance of Effort Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES:						
Taxes & Penalties	\$ 11,371,369	\$ -	\$ -	\$ 830,006	\$ 1,710,394	\$ 13,911,769
Licenses and permits	691,633	-	-	-	-	691,633
Federal sources	421,120	-	-	-	710,176	1,131,296
State sources	964,834	2,233,902	125,799	-	1,674,908	4,999,443
Charges for services	2,974,972	1,237,516	-	-	90,175	4,302,663
Fines and forfeits	80,089	-	-	-	-	80,089
Interest	496,280	-	4,933	88,386	486,959	1,076,558
Other	1,052,772	923,765	63,262	-	438,739	2,478,538
TOTAL REVENUES	<u>18,053,069</u>	<u>4,395,183</u>	<u>193,994</u>	<u>918,392</u>	<u>5,111,351</u>	<u>28,671,989</u>
EXPENDITURES:						
Current operations:						
Legislative	\$ 235,366	\$ -	\$ -	\$ -	\$ -	235,366
Courts	3,047,780	-	-	-	2,977,630	6,025,410
Management	1,154,556	-	-	439,358	3,853	1,597,767
Public Records	1,359,565	-	-	-	257,436	1,617,001
Law Enforcement	5,390,498	-	-	-	1,420,138	6,810,636
Human Services	94,573	4,542,274	-	-	1,006,549	5,643,396
Resource Mgmt/Development	1,857,261	-	-	-	496,589	2,353,850
Other	3,572,907	-	145,918	-	8,829	3,727,654
TOTAL EXPENDITURES	<u>16,712,506</u>	<u>4,542,274</u>	<u>145,918</u>	<u>439,358</u>	<u>6,171,024</u>	<u>28,011,080</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,340,563</u>	<u>(147,091)</u>	<u>48,076</u>	<u>479,034</u>	<u>(1,059,673)</u>	<u>660,909</u>
OTHER FINANCING SOURCES(USES):						
Transfers in	1,620,828	148,943	-	-	2,029,957	3,799,728
Transfers out	(2,014,031)	(4,024)	-	(300,000)	(2,039,778)	(4,357,833)
TOTAL OTHER FINANCING SOURCES(USES)	<u>(393,203)</u>	<u>144,919</u>	<u>-</u>	<u>(300,000)</u>	<u>(9,821)</u>	<u>(558,105)</u>
CHANGES IN FUND BALANCE	<u>947,360</u>	<u>(2,172)</u>	<u>48,076</u>	<u>179,034</u>	<u>(1,069,494)</u>	<u>102,804</u>
Fund balance, beginning of year	1,601,838	3,875	98,143	1,375,587	12,220,777	15,300,220
FUND BALANCE, END OF YEAR	<u>\$ 2,549,198</u>	<u>\$ 1,703</u>	<u>\$ 146,219</u>	<u>\$ 1,554,621</u>	<u>\$ 11,151,283</u>	<u>\$ 15,403,024</u>

The accompanying notes are an integral part of these financial statements.

COUNTY OF MARQUETTE, MICHIGAN

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2007

Net Change in Fund Balances - Total Governmental Funds

\$ 102,804

*Amounts reported for governmental activities in the statement
of activities are different because:*

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlays	\$ 550,741	
Depreciation expense	(624,017)	
Gain (loss) on disposals	<u>(2,772)</u>	(76,048)

Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

2,963

Internal service funds are used by management to administer the activities of the Delinquent Tax Revolving Funds. The net revenue of the internal service funds are included in governmental activities in the statement of net assets.

52,629

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES

\$ 82,348

The accompanying notes are an integral part of these financial statements.

COUNTY OF MARQUETTE, MICHIGAN

PROPRIETARY FUNDS

COMBINING STATEMENT OF NET ASSETS

December 31, 2007

	Business – Type Activities: Enterprise Funds							Governmental Activities
	Medical Care Facility Operating Fund	Airport Fund	Forestry Fund	Foreclosure Fund	100% Tax Payment Funds	Sewer Fund	Water Fund	Internal Service Funds
								Total
ASSETS								
Current Assets:								
Cash and investments	\$ 1,755,845	\$ 985,951	\$ 626,321	\$ 222,430	\$ 4,851,165	210,451	\$ 64,659	\$ 8,716,822
Cash and investments–restricted	3,760,211	–	–	–	–	–	–	3,760,211
Accounts receivable, net	1,967,788	53,610	8,824	–	–	106,181	47,389	2,183,792
Delinquent tax receivable	–	–	–	–	1,041,890	–	–	1,041,890
Accrued interest receivable	–	–	–	–	134,536	–	–	134,536
Due from State	–	–	–	–	–	–	–	–
Due from other funds	–	–	–	–	–	–	–	–
Due from other units	–	–	–	–	32,799	–	–	32,799
Inventory	–	–	–	–	–	–	–	–
Prepays and other assets	–	25,796	–	–	–	1,829	82	27,707
TOTAL CURRENT ASSETS	7,483,844	1,065,357	635,145	222,430	6,060,390	318,461	112,130	15,897,757
Noncurrent Assets:								
Capital assets, net of accumulated depreciation	4,696,680	39,526,054	10,622,327	–	–	4,456,023	4,176,861	63,477,945
TOTAL NONCURRENT ASSETS	4,696,680	39,526,054	10,622,327	–	–	4,456,023	4,176,861	63,477,945
TOTAL ASSETS	12,180,524	40,591,411	11,257,472	222,430	6,060,390	4,774,484	4,288,991	79,375,702
LIABILITIES								
Current Liabilities:								
Accounts payable	181,635	43,113	13,667	1,449	–	23,643	6,275	269,782
Due to other funds	–	–	–	–	–	–	–	–
Due to other units	–	–	–	–	803	–	–	803
Accrued payroll and related liabilities	227,712	47,149	–	–	–	12,393	6,454	293,708
Deferred revenue	–	–	–	–	–	–	–	–
Other liabilities	7,273	18,250	–	–	–	24,588	24,588	74,699
Current portion of long-term debt	–	–	–	–	–	–	–	–
TOTAL CURRENT LIABILITIES	416,620	108,512	13,667	1,449	803	60,624	37,317	638,992
Noncurrent Assets:								
Compensated absences	548,259	139,152	–	–	–	27,660	14,894	729,965
Notes payable	–	–	–	–	–	–	–	–
TOTAL NONCURRENT LIABILITIES	548,259	139,152	–	–	–	27,660	14,894	729,965
TOTAL LIABILITIES	964,879	247,664	13,667	1,449	803	88,284	52,211	1,368,957
NET ASSETS								
Invested in capital assets								
net of related debt	4,696,680	39,526,054	10,622,327	–	–	4,456,023	4,176,861	63,477,945
Designated	–	679,589	–	–	–	–	–	679,589
Unrestricted	6,518,965	138,104	621,478	220,981	6,059,587	230,177	59,919	13,849,211
TOTAL NET ASSETS	\$ 11,215,645	\$ 40,343,747	\$ 11,243,805	\$ 220,981	\$ 6,059,587	4,686,200	\$ 4,236,780	\$ 78,006,745
								\$ 1,860,297

The accompanying notes are an integral part of these financial statements

COUNTY OF MARQUETTE, MICHIGAN

PROPRIETARY FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

For the Fiscal Year Ended December 31, 2007

	Business – Type Activities: Enterprise Funds							Governmental Activities
	Medical Care Facility Operating Fund	Airport Fund	Forestry Fund	Foreclosure Fund	100 % Tax Payment Funds	Sewer Fund	Water Fund	Internal Service Funds
OPERATING REVENUES:								
Federal sources	\$ –	\$ 8,669,757	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –
State sources	–	165,078	34,363	–	–	–	–	–
Charges for services(net)	9,834,957	763,299	70,415	120,975	–	613,014	307,266	371,338
Penalties and interest on taxes	–	–	–	–	425,062	–	–	–
Collection fee and other revenues	–	–	–	–	–	–	–	–
Other operating revenue	1,400,092	816,265	–	(10,988)	–	127,986	10,953	53,228
TOTAL OPERATING REVENUES	11,235,049	10,414,399	104,778	109,987	425,062	741,000	318,219	424,566
OPERATING EXPENSES:								
Operating expenses	10,639,369	2,366,031	181,804	54,471	13,416	651,210	323,999	396,135
Depreciation	458,160	1,066,993	16,679	–	–	261,128	118,715	–
TOTAL OPERATING EXPENSES	11,097,529	3,433,024	198,483	54,471	13,416	912,338	442,714	396,135
OPERATING INCOME(LOSS)	137,520	6,981,375	(93,705)	55,516	411,646	(171,338)	(124,495)	28,431
NON-OPERATING REVENUE(EXPENSES):								
Investment Income	140,932	10,443	29,381	9,255	185,765	–	–	24,198
TOTAL NON-OPERATING REVENUES(EXPENSES)	140,932	10,443	29,381	9,255	185,765	–	–	24,198
INCOME(LOSS)BEFORE TRANSFERS	278,452	6,991,818	(64,324)	64,771	597,411	(171,338)	(124,495)	52,629
Transfers in	300,000	683,105	–	–	–	–	–	–
Transfers out	–	–	–	–	(425,000)	–	–	–
NET CHANGE IN ASSETS	578,452	7,674,923	(64,324)	64,771	172,411	(171,338)	(124,495)	52,629
Net assets, beginning of year	10,637,193	32,668,824	11,308,129	156,210	5,887,176	4,857,538	4,361,275	1,807,668
NET ASSETS, END OF YEAR	\$ 11,215,645	\$ 40,343,747	\$ 11,243,805	\$ 220,981	\$ 6,059,587	4,686,200	4,236,780	\$ 1,860,297

The accompanying notes are an integral part of these financial statements

COUNTY OF MARQUETTE, MICHIGAN

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS

For the Fiscal Year Ended December 31, 2007

	Business -Type Activities: Enterprise Funds							Governmental Activities
	Medical Care Facility Operating Fund	Airport Fund	Forestry Fund	Foreclosure Fund	100% Tax Payment Funds	Sewer Fund	Water Fund	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:								
Cash received Federal grants	\$ -	\$ 8,669,757	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,669,757
Cash received State grants	-	165,078	34,363	-	-	-	-	199,441
Cash received from fees and charges for services	9,512,042	853,071	181,578	109,987	-	627,210	312,172	11,596,060
Cash payments to employees for services	(9,906,691)	(1,086,053)	(58,497)	-	-	(278,315)	(170,705)	(11,500,261)
Cash received from delinquent taxes	-	-	-	-	362,782	-	-	362,782
Other operating expenses	(886,988)	(1,301,296)	(144,891)	(53,834)	(34,291)	(361,156)	(149,558)	(2,932,014)
Proportionate share revenue	-	-	-	-	-	-	-	-
Other operating revenues	1,400,092	816,265	-	-	-	127,986	10,953	2,355,296
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>118,455</u>	<u>8,116,822</u>	<u>12,553</u>	<u>56,153</u>	<u>328,491</u>	<u>115,725</u>	<u>2,862</u>	<u>8,751,061</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:								
Cash from (withdrawal from) patient trust	221	-	-	-	-	-	-	221
Operating transfers in (out)	300,000	683,105	-	-	(425,000)	-	-	558,105
Increase (decrease) in due to other funds	-	-	-	-	-	-	-	-
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>300,221</u>	<u>683,105</u>	<u>-</u>	<u>-</u>	<u>(425,000)</u>	<u>-</u>	<u>-</u>	<u>558,326</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:								
Cash payments for capital assets	(479,542)	(8,437,389)	-	-	-	(15,999)	(15,999)	(8,948,929)
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(479,542)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(15,999)</u>	<u>(15,999)</u>	<u>(8,948,929)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:								
Interest income	140,932	10,443	29,381	9,255	185,765	-	-	375,776
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>140,932</u>	<u>10,443</u>	<u>29,381</u>	<u>9,255</u>	<u>185,765</u>	<u>-</u>	<u>-</u>	<u>375,776</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>80,066</u>	<u>372,981</u>	<u>41,934</u>	<u>65,408</u>	<u>89,256</u>	<u>99,726</u>	<u>(13,137)</u>	<u>736,234</u>
Cash and cash equivalents, beginning of year	5,435,990	612,970	584,387	157,022	4,761,909	110,725	77,796	11,740,799
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 5,516,056</u>	<u>\$ 985,951</u>	<u>\$ 626,321</u>	<u>\$ 222,430</u>	<u>\$ 4,851,165</u>	<u>\$ 210,451</u>	<u>\$ 64,659</u>	<u>\$ 12,477,033</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:								
Operating income (loss)	\$ 137,520	\$ 6,981,375	\$ (93,705)	\$ 55,516	\$ 411,646	\$ (171,338)	\$ (124,496)	\$ 7,196,518
Adjustments to reconcile operating income to net cash provided by operating activities:								
Depreciation	458,160	1,066,993	16,679	-	-	261,128	118,715	1,921,675
Bad debt	(1,358)	-	-	-	-	-	-	(1,358)
Change in assets and liabilities:								
(Increase) decrease in accounts receivable	(321,557)	89,772	111,163	-	-	14,196	4,906	(101,520)
(Increase) decrease in delinquent taxes receivable	-	-	-	-	(52,648)	-	-	(52,648)
(Increase) decrease in accrued interest receivable	-	-	-	-	-	-	-	-
(Increase) decrease in due from others	-	-	-	-	(29,078)	-	-	(29,078)
(Increase) decrease in inventory	-	-	-	-	-	-	-	-
(Increase) decrease in prepaid expenses	2,165	(8,393)	-	-	-	2,179	1,802	(2,247)
(Increase) decrease in other assets	-	-	-	-	-	-	-	-
Increase (decrease) in accounts payable	(246,448)	(7,412)	(10,679)	637	(1,429)	7,091	843	(257,397)
Increase (decrease) in accrued payroll and related liabilities	-	419	(183)	-	-	1,544	166	1,946
Increase (decrease) in other liabilities	89,973	(5,932)	(10,722)	-	-	925	926	75,170
Increase (decrease) in due to others	-	-	-	-	-	-	-	-
Increase (decrease) in deferred revenue	-	-	-	-	-	-	-	-
NET ADJUSTMENTS	<u>(19,065)</u>	<u>1,135,447</u>	<u>106,258</u>	<u>637</u>	<u>(83,155)</u>	<u>287,063</u>	<u>127,358</u>	<u>1,554,543</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 118,455</u>	<u>\$ 8,116,822</u>	<u>\$ 12,553</u>	<u>\$ 56,153</u>	<u>\$ 328,491</u>	<u>\$ 115,725</u>	<u>\$ 2,862</u>	<u>\$ 8,751,061</u>

The accompanying notes are an integral part of these financial statements.

COUNTY OF MARQUETTE, MICHIGAN
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET ASSETS
December 31, 2007

		<u>Agency Funds</u>
ASSETS		
Cash and investments	\$	1,862,100
Due from other funds		<u>–</u>
TOTAL ASSETS	\$	<u><u>1,862,100</u></u>
 LIABILITIES:		
Due to other funds	\$	20,000
Due to others		<u>1,842,100</u>
TOTAL LIABILITIES		<u><u>1,862,100</u></u>

The accompanying notes are an integral part of these financial statements

COUNTY OF MARQUETTE, MICHIGAN

COMPONENT UNITS

COMBINING STATEMENT OF NET ASSETS

DECEMBER 31, 2007

	County Road Department	EDC Fund	DPW Debt Funds	Drain Maintenance	TOTAL
ASSETS					
Current Assets:					
Cash and cash equivalents	\$ 4,106,353	\$ 734,711	\$ 10,618	\$ 67,824	\$ 4,919,506
Investments	-	-	-	-	-
Receivables, net	1,997,072	782,085	2,134,400	-	4,913,557
Internal balances	-	-	-	-	-
Inventory	860,852	-	-	-	860,852
Prepaid expenses and other assets	158,290	718,645	-	-	876,935
TOTAL CURRENT ASSETS	<u>7,122,567</u>	<u>2,235,441</u>	<u>2,145,018</u>	<u>67,824</u>	<u>11,570,850</u>
Restricted Assets	-	-	-	-	-
Noncurrent Assets:					
Capital assets:					-
Capital assets (net)	45,132,850	-	-	-	45,132,850
Total Capital Assets	45,132,850	-	-	-	45,132,850
TOTAL NONCURRENT ASSETS	<u>45,132,850</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,132,850</u>
TOTAL ASSETS	<u>\$ 52,255,417</u>	<u>\$ 2,235,441</u>	<u>\$ 2,145,018</u>	<u>\$ 67,824</u>	<u>\$ 56,703,700</u>
LIABILITIES					
Current Liabilities:					
Accounts payable	\$ 752,473	\$ 263,166	\$ -	\$ 67,824	\$ 1,083,463
Accrued payroll and related	147,821	-	-	-	147,821
Deferred revenue	250,000	-	-	-	250,000
Compensated absences	-	-	-	-	-
Current portion of bonds payable	200,000	-	575,000	-	775,000
Current portion of notes and contracts payable	-	-	-	-	-
Other current liabilities	-	-	-	-	-
TOTAL CURRENT LIABILITIES	<u>1,350,294</u>	<u>263,166</u>	<u>575,000</u>	<u>67,824</u>	<u>2,256,284</u>
Noncurrent Liabilities:					
Compensated absences	454,462	-	-	-	454,462
Bonds payable	600,000	619,531	1,545,000	-	2,764,531
Other	522,860	-	-	-	522,860
TOTAL NONCURRENT LIABILITIES	<u>1,577,322</u>	<u>619,531</u>	<u>1,545,000</u>	<u>-</u>	<u>3,741,853</u>
TOTAL LIABILITIES	<u>2,927,616</u>	<u>882,697</u>	<u>2,120,000</u>	<u>67,824</u>	<u>5,998,137</u>
NET ASSETS					
Invested in capital assets net of related debt	44,332,850	-	-	-	44,332,850
Restricted for:					-
Debt Service	-	-	-	-	-
Other activities	4,994,951	1,320,017	-	-	6,314,968
Unrestricted	-	32,727	25,018	-	57,745
TOTAL NET ASSETS	<u>\$ 49,327,801</u>	<u>\$ 1,352,744</u>	<u>\$ 25,018</u>	<u>\$ -</u>	<u>\$ 50,705,563</u>

The accompanying notes are an integral part of these financial statements

COUNTY OF MARQUETTE, MICHIGAN
 COMPONENT UNITS
 COMBINING STATEMENT OF ACTIVITIES
 DECEMBER 31, 2007

Function/Program	Expenses	Program Revenues			Net(expenses) Revenue and Changes in Net Assets				
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	County Road Department	EDC Fund	DPW Debt	Drain Maintenance	Total
County Road Operations	\$ 9,147,375	2,736,789	\$ 5,730,707	\$ 3,028,590	\$ 2,348,711	\$ -	\$ -	\$ -	\$ 2,348,711
EDC Operations	432,814	70,310	-	-	\$ -	\$ (362,504)	-	-	(362,504)
DPW Debt Operations	117,552	119,889	-	-	\$ -	-	2,337	-	2,337
Drain Maintenance	-	-	-	-	\$ -	-	-	-	-
TOTAL COMPONENT UNITS	\$ 9,697,741	\$ 2,926,988	\$ 5,730,707	\$ 3,028,590	\$ 2,348,711	\$ (362,504)	\$ 2,337	\$ -	\$ 1,988,544
General Revenues:									
Property taxes					\$ -	-	-	-	-
Interest and investment earnings					275,347	63,574	187	-	339,108
Miscellaneous					24,750	30,859	-	-	55,609
TOTAL GENERAL REVENUES AND EXTRAORDINARY ITEMS					300,097	94,433	187	-	394,717
CHANGE IN NET ASSETS					2,648,808	(268,071)	2,524	-	2,383,261
Net assets, beginning of year					46,678,993	1,620,815	22,494	-	48,322,302
NET ASSETS, END OF YEAR					\$ 49,327,801	\$ 1,352,744	\$ 25,018	\$ -	\$ 50,705,563

The accompanying notes are an integral part of these financial statements

COUNTY OF MARQUETTE, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Marquette was organized in 1848 under the provisions of the Michigan Constitution. The County operates under a Commission/Administrator form of government and provides services in the following functional areas: legislative, courts, public records, management, human services, resource management and development, law enforcement, and community maintenance.

The financial statements of the County have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989, (when applicable) that do not conflict with or contradict GASB pronouncements. The more significant of these accounting policies established in GAAP and used by the County are described below.

REPORTING ENTITY

The County's financial statements present the County (the primary government) and its component units. In evaluating the County as a reporting entity, management has addressed all potential component units (traditionally separate reporting units) for which the County may or may not be financially accountable and, as such, be includable within the County's financial statements. The component units discussed below are included in the reporting entity because of the significance of their operational or financial relationship with the County.

Blended Component Units

The Marquette County Health Department (MCHD) is governed by a seven-member board appointed by the County Board. It provides limited health services to the residents of Marquette County. The County of Marquette provides an annual subsidy to the MCHD.

The Marquette County Department of Human Services (DHS) is governed by a three-member board appointed by the County Board. Although the employees are employed by the State of Michigan, and the State pays for many of the programs, the entity is considered part of the primary government. The reasons for this presentation are that the County Board appoints the DHS Board, and State law makes it a county organization.

The Marquette County Medical Care Facility (MCF) is governed by a three-member board appointed by the County Board. Although it is a distinct entity from the county, the MCF is reported as if it were part of the primary government because its sole purpose is to provide skilled nursing services to residents of the County of Marquette.

The Marquette County Building Authority is governed by a three-member board appointed by the County Board. Although it is legally separate from the county, the Building Authority is reported as if it were part of the primary government because its sole purpose is to finance and construct Marquette County public buildings.

COUNTY OF MARQUETTE, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Discretely Presented Component Units

The component units columns in the combined financial statements include the financial data of the County's other component units. They are reported in a separate column to emphasize that they are legally separate from the County.

The Marquette County Road Commission (MCRC) is governed by a three-member board appointed by the County Board. The MCRC may not issue debt or levy a tax without the approval of the County Board. If approval is granted, the Road Commission's taxes are levied under the taxing authority of the County, as approved by the County Board, and would be included as part of the County's total tax levy as well as reported in the County Road Fund. The MCRC is supported primarily by payments from other local units of government for local maintenance and construction of roads. Funding sources include State of Michigan Motor Vehicle Highway Funds and Federal Aid Secondary Funds. The County of Marquette does not always provide an annual subsidy to the MCRC. The Marquette County Road Commission has a fiscal year ending September 30, 2007. Accordingly, the component unit financial statement information included in this report reflects activity as of September 30, 2007.

The County Drain Commission pursuant to the Drain Code of 1956, the Drain Commissioner has the responsibility to administer the State Drain Code. The Marquette County Drain Commissioner is elected and is responsible for planning, developing, and maintaining water drainage systems within the County. Each of the drainage districts established is a separate legal entity, with the power to contract, to sue and be sued, to hold, manage, and dispose of real and personal property. The Drain Commissioner has sole responsibility to administer the drainage district established. The Drain Commissioner may issue debt or levy a special assessment as authorized by the Drain Code without the approval of the County Board of Commissioners. Separate financial statements for the County Drain Commission are not published.

The Economic Development Corporation (EDC) of the County of Marquette, which was established pursuant to the provisions of Public Act 338 of 1974, as amended, is governed by a nine-member Board of Directors appointed by the County Board. The EDC provides assistance to new and expanding small to medium sized businesses within Marquette County, primarily for job retention and creation purposes. The County of Marquette provides an annual subsidy to the EDC.

Complete financial statements of the individual component units, except for the Drain Commission, Building Authority, Department of Public Works, Department of Human Services, Health Department and the Economic Development Corporation, which do not issue separate financial statements, can be obtained from the Administrator's office at the Courthouse or at the respective administrative offices as noted below:

Marquette County Medical Care Facility
200 W. Saginaw
P.O. Box 309
Ishpeming, MI 49849

Marquette County Road Commission
1610 North Second Street
P.O. Box 10
Ishpeming, MI 49849

**COUNTY OF MARQUETTE, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Joint Ventures

As defined in GASB #14, a joint venture is a legal entity or other organization that results from a contractual arrangement (or inter-local agreement) and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control in which the participants retain: (a) an ongoing financial interest; or (b) an ongoing financial responsibility. The County participates in the following joint ventures:

Community Mental Health Services (Pathways) Board consists of members of the participating counties as appointed by the respective counties. As enumerated in the Footnotes, Pathways is not being accounted for in the financial statements of the County.

BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE FINANCIAL STATEMENTS:

The County's basic financial statements include both government-wide (reporting the County as a whole) and fund financial statements (reporting the County's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The County's legislative, judicial, public safety, recreation and culture and general services and administration are classified as governmental activities. The County's Medical Care Facility, Airport, Water & Sewer Fund, DTRF Tax, Foreclosure, and Forestry Funds are classified as business-type activities.

In the government-wide Statement of Net Assets, both the governmental and business-type activities columns are presented on a consolidated basis by column and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The County's net assets are reported in three parts: invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The County first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the County's functions and business-type activities. The functions are also supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. The net costs (by function or business-type activity) are normally covered by general revenue.

The government-wide focus is more on the sustainability of the County as an entity and the change in the County's net assets resulting from the current year's activities. For the most part, the effect of inter-fund activities has been removed from these statements.

BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS:

The financial transactions of the County are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets,

COUNTY OF MARQUETTE, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The following fund types are used by the County:

Governmental Funds:

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the County:

General Fund - General Fund is the general operating fund and, accordingly, it is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Debt Service Funds - Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Capital Projects Funds - Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds).

Proprietary Funds:

The focus of proprietary fund measurement is upon determination of operating income, changes in net assets, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the County:

Enterprise Funds - Enterprise Funds are used to account for operations: (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Internal Service Funds - Internal Service Funds are used to finance, administer, and account for the financing of goods and services provided by one department or agency to other departments or agencies of the governmental unit or to other governmental units on a cost reimbursement basis.

Component Units:

Component units are used to account for the discretely presented component units which follow proprietary fund accounting guidelines.

COUNTY OF MARQUETTE, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Fiduciary Funds:

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support County programs. The agency fund is custodial in nature and does not present results of operations or have a measurement focus.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Non-major funds by category are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds.

The County reports the following major governmental funds:

The **General Fund** is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The **Health Department** provides limited health services to the residents of the County.

The **Community Development** applies for, receives, and disburses funds from MSHDA (Michigan State Housing Development Authority) to rehabilitate private single-family dwellings, provide emergency assistance and home purchase/rehabilitation.

The **Revenue Sharing Reserve** was established by Public Act 357 to account for the gradual shift in county property tax millage as a substitute for county revenue sharing payments.

The **Airport Stabilization** maintains a reserve to assist airport operations.

The County reports the following major proprietary funds:

The **Medical Care Facility** provides skilled nursing services to residents of the County.

The County's **Internal Service Funds** are presented in the proprietary funds financial statements. Because the principal users of the internal services are the County's governmental activities, the financial statement of the internal service fund is consolidated into the governmental column when presented in the government-wide financial statements. The cost of these services is reported in the general services and administration functional activity.

The County's **Fiduciary Funds** are presented in the fiduciary fund financial statements by type (agency). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, etc.), and cannot be used to address activities or obligations of the County, these funds are not incorporated into the government-wide statements.

COUNTY OF MARQUETTE, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

BASIS OF ACCOUNTING

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual

Both governmental and business-type activities in the government-wide financial statements and the proprietary and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which the payment is due. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

All proprietary funds apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

Modified Accrual

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified basis of accounting, revenues are recorded when they are both measurable and available. "Available" means collectible within the current period or within 60 days of the end of the current fiscal period. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. However, debt service expenditures, compensated absences, and claims and judgments are recorded only when payment is due.

FINANCIAL STATEMENT AMOUNTS

Budgets and Budgetary Accounting - The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In accordance with the annually adopted budget calendar, and generally around August 15, the County Administrator submits to the County Board of Commissioners proposed operating and capital budgets for the fiscal year commencing the following January 1. Proposed budgets include projected expenditures and the means of financing them.
2. Numerous opportunities exist for public comment during the budget process including at least two formal public hearings.
3. Pursuant to statute, on the second Tuesday of October of each year, the budget for the ensuing year is legally enacted through the adoption of an Annual General Appropriations Act.

**COUNTY OF MARQUETTE, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

4. The general statute governing County budgetary activity is the State of Michigan Uniform Budgeting and Accounting Act. In addition to the provisions of said Act and Board policy, general statements concerning the Board's intent regarding the administration of each year's budget are set out in the Annual General Appropriations Act. The Marquette County Board of Commissioners, through policy action, specifically directs the Administrator not to authorize or participate in any expenditure of funds except as authorized by the Annual General Appropriations Act. The Board recognizes that, in addition to possible Board sanctions for willful disregard of this policy, State statutes provide for civil liability for violation of the Annual General Appropriations Act.
5. The Marquette County Administrator is authorized by means of County policy to make certain transfers:
 - . The Administrator receives a request for a budget transfer in writing from a department administrator. Such request must specify the necessity for the transfer, as well as the account name and/or group(s) of accounts to be affected within prescribed limitations. Transfers in excess of those limitations must be approved by the Board of Commissioners.
 - . The following considerations must be reviewed in determination of transfer approvals:
 - . Is the transfer consistent with the intent of the Board of Commissioners in adopting the annual budget?
 - . Will the transfer maintain the financial integrity of the County?
 - . Will the transfer provide a reasonable solution to the budgetary unit-operating problem?
 - . Considering the above, the Administrator will then decide whether or not the transfer should be made.
 - . In authorizing such budget transfers, the Administrator may not exceed 10 percent of the aggregate total of all accounts within the budgetary unit budget. The budgetary unit wishing budgetary changes in excess of 10 percent in any budget year must apply, through the Administrator, to the County Board of Commissioners for a budget amendment.
 - . Supplemental appropriations are submitted to and reviewed by the County Administrator and submitted to the Committee of the Whole for further consideration. If approved, they are transmitted to the County Board of Commissioners for their review and approval. If approved, they are implemented by the Administrator's Office through a budget revision.
 - . Provisions of the current policy empower the Administrator to authorize certain transfers in the personnel services account group. In no instance does current policy permit the Administrator to authorize transfers in the operating capital outlay account group. An account group is defined as one of four groups of account numbers and titles as set out in the adopted annual budget of the Marquette County Board of Commissioners, i.e., personnel services, supplies, other charges and

COUNTY OF MARQUETTE, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

services, and operating capital outlay.

6. The County of Marquette adopts its Annual Budget on a program basis. Each program is defined within the formal budget structure and glossary of terms adopted by Board action. The program budget structure consists of five levels of detail as follows: Resource Allocation; Major Functioning Group; Department; Program; Activity.
 - . At each level of detail, governmental operations are summarized into expenditure account groups. Funding sources are also identified and adopted at each level of detail. Budgetary controls exist at the most detailed level adopted by the Board of Commissioners, i.e., department, program or activity level. A detailed line item breakdown is prepared for each program. Accounting controls are maintained at the line item detail level.
7. Budgets for the General, Special Revenue, Enterprise and Capital Project Funds are adopted on a basis consistent with generally accepted accounting principles. Budgeted amounts, in the Financial Report, are as originally adopted or amended by the County Board of Commissioners.
8. General Fund budgeted appropriations to other County departments/ budgetary units unexpended at the end of the current fiscal operating year are returned to the County General Fund in the subsequent year after completion of the County's annual audit. The return of unexpended General Fund appropriations are reported as residual equity transfers in the 2007 Financial Report.

Encumbrances – The County has adopted the encumbrance method of accounting on a monthly basis. Under the encumbrance method, requisitioned expenditures are recorded as expenditures in the monthly reports. This reserves available resources for expenditures committed in which items or invoices have not yet been received. The County records material encumbrances as a reservation of fund balance at year-end since they do not constitute expenditures or liabilities.

Cash Equivalents and Investments - For the purposes of balance sheet classification and the statement of cash flows, cash and equivalents consist of demand deposits, cash in savings, money market accounts and short-term certificates of deposit with original maturity of three months or less. Investments are carried at fair value.

Inventory - Inventory is valued at the lower of cost (first-in, first-out) or market. Inventory in the Special Revenue and Enterprise Funds consists of expendable supplies and materials held for consumption. Inventory is charged to operations upon consumption by the various operating funds within the County.

Capital Assets – Capital assets, which include property, plant, equipment and infrastructure assets (i.e., streets, bridges, and sidewalks), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of five years.

COUNTY OF MARQUETTE, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their fair value on the date donated. Depreciation on all exhaustible capital assets is charged as an expense against their operations in government-wide statements and proprietary financial statements. Accumulated depreciation is reported on government-wide and proprietary statement of net assets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Land Improvements	20	years
Building, Structures and Improvements	40	years
Equipment	5-20	years
Water and Sewage System	20	years
Vehicles	5	years
Infrastructure	20-50	years

Long-Term Liabilities: In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities and business-type activities or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using straight line amortization. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources and bond discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt received, are reported as debt service.

Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reporting of certain assets, liabilities, revenues, and expenditures. Actual results may differ from estimated amounts.

Property Taxes – Property taxes attach as an enforceable lien of property as of December 1 and payable by February 28. Taxes receivable are recorded when levied, as the legal right to receive exists. However, such revenues are not normally received until after the 60-day period following the fiscal year. Accordingly, deferred revenue is being recognized for such amounts.

Compensated Absences – The County accrues accumulated unpaid vacation and sick leave days and associated employee-related costs when earned (or estimated to be earned) by the employee. The non-current portion (the amount estimated to be used in subsequent fiscal years) for governmental funds is maintained separately and represents a reconciling item between the fund and government-wide presentations.

COUNTY OF MARQUETTE, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Deferred Revenues – Deferred revenues are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met.

Inter-fund Activity – Inter-fund activity is reported as either loans, services provided reimbursements or transfers. Loans are reported as inter-fund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a result of the reimbursement. All other inter-fund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

NOTE 2 – DEPOSITS AND INVESTMENTS

The following is a reconciliation of cash and investments for both the unrestricted and restricted assets for the primary government and its component units from the Statement of Net Assets:

	<u>Primary Government</u>	<u>Component Units</u>	<u>Fiduciary Funds</u>	<u>Total</u>
Unrestricted:				
Cash and cash equivalents	18,839,664	4,919,506	1,862,100	25,621,270
Investments	7,914,867			7,914,867
Restricted:				
Cash and cash equivalents	3,760,211			3,760,211
Investments				
TOTALS	<u><u>30,514,742</u></u>	<u><u>4,919,506</u></u>	<u><u>1,862,100</u></u>	<u><u>37,296,348</u></u>

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. State law does not require, and the County does not have, a deposit policy for custodial credit risk. The carrying amounts of the primary government, component unit and fiduciary fund's deposits with financial institutions were \$29,381,481 and the bank balance was \$30,391,016. The bank balance is categorized as follows:

Amount insured by the FDIC	\$ 1,006,966
Amount Uninsured	<u>29,384,050</u>
	<u><u>\$ 30,391,016</u></u>

COUNTY OF MARQUETTE, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 2 – DEPOSITS AND INVESTMENTS - CONTINUED

Investments

As of December 31, 2007, the County had the following investments.

	Fair Value	Less than 1	Investment Maturities (in years)		
			1-5	6-10	More than 10
PRIMARY GOVERNMENT:					
Unrestricted Investments:	\$7,914,867	\$2,742,418	\$5,172,449	\$ -	\$ -
Federal Government					
Obligation Principal					
TOTAL INVESTMENTS	<u><u>\$7,914,867</u></u>	<u><u>\$2,742,418</u></u>	<u><u>\$5,172,449</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of the County's investments. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

Michigan statutes (Act 196, PA 1997) authorize the County to invest in bonds, other direct obligations and repurchase agreements of the United States, certificates of deposits, savings accounts, deposit accounts or receipts of a bank which is a member of the FDIC and authorized to operate in this state, commercial paper rated at the time of purchase within the two highest classification established by not less than two standard rating services and matures within 270 days from date of purchase, bankers' acceptances of the United States banks, obligations of the State of Michigan and its political subdivisions, external investment pools, and certain mutual funds. Michigan law prohibits security in the form of collateral, surety bond, or another form for the deposit of public money.

The County has no investment policy that would further limit its investment choices. Ratings are not required for the County's investment in U.S. Government Agencies or equity-type funds. The County's investments are in accordance with statutory authority.

Concentration of Credit Risk

The County places no limit on the amount the County may invest in any one issuer. There were no investments subject to concentration of credit risk disclosure.

NOTE 3 – RESTRICTED ASSETS

The Medical Care Facility in the Enterprise Funds has designated/restricted assets in this fund in the amount of \$3,760,211.

COUNTY OF MARQUETTE, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 4 – JOINT VENTURE COMMUNITY MENTAL HEALTH SERVICES

Pursuant to an amendment to the Mental Health Code, Public Act 290 of 1995, the Counties of Alger, Marquette, Delta, and Luce created a Community Mental Health Authority (Pathways to Healthy Living) with powers and duties as defined in Section 205, MCL 330.1205. Under such provisions, Pathways to Healthy Living became a separate legal entity from the counties as appointed by the respective counties. The Board has full power to comply and carry out the financial and clinical provisions of the Mental Health Code. Summary financial information as of and for the fiscal year ended September 30, 2006, for the Board is as follows:

Assets	\$ 10,609,256
Liabilities	10,777,109
Total Fund Equity	(167,853)
Total Revenues	82,516,939
Total Expenditures	83,005,241
Net Increase (decrease) in Fund Equity	(488,302)

NOTE 5 - LONG-TERM DEBT

The following is a summary of long-term debt transactions during the period ended December 31, 2007, are summarized as follows:

	<u>December 31, 2006</u>	<u>Additions</u>	<u>Subtractions</u>	<u>December 31, 2007</u>
Discrete Component Units:				
Road Commission:				
MTF Bond	1,000,000	-	200,000	800,000
EDC:				
Installment Note Payable #1	306,020	-	57,346	248,674
Installment Note Payable #2	384,772	-	384,772	-
Installment Note Payable #3	-	372,217	1,360	370,857
Drainage Districts:				
Badger Creek Drain Installment Note	250,000	-	80,000	170,000
DPW:				
Marquette County Refunding Bonds (Unlimited Tax) Series 1998	320,000	-	160,000	160,000
Marquette County Refunding Bonds (Limited Tax):				
Series 1998A	2,120,000	-	330,000	1,790,000
Series 1998B	70,000	-	70,000	-
Total Discrete Component Units	<u>\$4,450,792</u>	<u>\$372,217</u>	<u>\$ 1,282,468</u>	<u>\$ 3,539,531</u>
TOTAL LONG-TERM DEBT	<u>\$4,450,792</u>	<u>\$372,217</u>	<u>\$ 1,283,478</u>	<u>\$ 3,539,531</u>

COUNTY OF MARQUETTE, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 5 - LONG-TERM DEBT - CONTINUED

Annual maturities on the Long-Term Debt are as follows:

	<u>Primary Government</u>	<u>Business-Type Activities</u>	<u>Discrete Component Unit Principal</u>	<u>Interest</u>	<u>Total</u>
2008	-	-	852,736	134,443	987,179
2009	-	-	709,053	92,104	801,157
2010	-	-	957,925	56,741	1,014,666
2011	-	-	539,117	35,152	574,269
2012	-	-	230,000	16,425	246,425
2013	-	-	250,000	5,625	255,625
TOTAL	<u>\$ -</u>	<u>\$ -</u>	<u>\$3,539,531</u>	<u>\$340,490</u>	<u>\$3,880,021</u>

BOND

<u>YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2008	200,000	35,300	235,300
2009	200,000	26,800	226,800
2010	200,000	18,000	218,000
2011	200,000	9,000	209,000
TOTALS	<u>\$ 800,000</u>	<u>\$ 89,100</u>	<u>\$ 889,100</u>

On June 7, 2001, the Marquette County Road Commission issued \$2,000,000 Michigan Transportation Fund Revenue Note of 2001 ("Bond") for the purpose of equipment purchases and other long-term debt payoff. The bond's interest is due semi-annually on February 7 and August 7 at a rate of 4.0% with principal due August 7 each year.

EDC Installment Note Payable #1

<u>YEAR</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>TOTAL</u>
2008	17,808	62,546	80,354
2009	12,549	67,805	80,354
2010	6,849	73,506	80,355
2011	814	44,817	45,631
TOTALS	<u>\$ 38,020</u>	<u>\$ 248,674</u>	<u>\$ 286,694</u>

Installment Note #1 is through Wells Fargo Bank. The interest rate is 8.1% with monthly payments of \$6,696 through July 6, 2011.

EDC Installment Note Payable #3

<u>YEAR</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>TOTAL</u>
2008	24,578	15,190	39,768
2008	23,520	16,248	39,768
2010	20,702	339,419	360,121
TOTALS	<u>\$ 68,800</u>	<u>\$ 370,857</u>	<u>\$ 439,657</u>

Installment Note #3 is through Wells Fargo Bank. The interest rate is 6.78% with monthly payments of \$3,314 through December 14, 2010.

COUNTY OF MARQUETTE, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 5 - LONG-TERM DEBT - CONTINUED

SCHEDULE OF BADGER CREEK DRAINAGE DISTRICT BONDS
December 31, 2007

	<u>April 1</u>		<u>October 1</u>	
<u>YEAR</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2008	5,908	85,000	2,975	93,883
2009	<u>2,975</u>	<u>85,000</u>	<u>-</u>	<u>87,975</u>
TOTALS	<u>\$ 8,883</u>	<u>\$ 170,000</u>	<u>\$ 2,975</u>	<u>\$181,858</u>

The Badger Creek Drain Bonds (Limited Tax General Obligation) were issued originally in 1994 with interest rates of 6.2% - 8.00%.

SCHEDULE OF MARQUETTE COUNTY REFUNDING BONDS
(UNLIMITED TAX) SERIES 1998
December 31, 2007

	<u>June 1</u>		<u>December 1</u>	
<u>YEAR</u>	<u>INTEREST</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>TOTAL</u>
2008	3,520	3,520	160,000	167,040
TOTALS	<u>\$ 3,520</u>	<u>\$ 3,520</u>	<u>\$ 160,000</u>	<u>\$167,040</u>

Marquette County Refunding Bonds (Unlimited Tax) Series 1998 issued for \$1,585,000 of which \$1,485,000 was part of the refunding. The refunding resulted in a net savings of \$109,140. The refunding bonds are dated July 1, 1998, mature annually as scheduled above and bear interest at a maximum of 6.0% per annum.

SCHEDULE OF MARQUETTE COUNTY REFUNDING
BONDS (LIMITED TAX) SERIES 1998A
December 31, 2007

	<u>May 1</u>		<u>November 1</u>	
<u>YEAR</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2008	39,603	330,000	32,508	402,111
2009	32,509	340,000	25,027	397,536
2010	25,028	345,000	17,438	387,466
2011	17,437	295,000	10,800	323,237
2012-2013	<u>16,425</u>	<u>480,000</u>	<u>5,625</u>	<u>502,050</u>
TOTALS	<u>\$131,002</u>	<u>\$1,790,000</u>	<u>\$91,398</u>	<u>\$2,012,400</u>

Marquette County Refunding (Limited Tax) Series 1998A issued for \$7,665,000 of which \$6,195,000 was part of the refunding. The refunding resulted in a net savings of \$234,543. The refunding bonds are dated July 1, 1998, mature annually as scheduled above and bear interest at a maximum of 6.0% per annum.

COUNTY OF MARQUETTE, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 6 – INTER-FUND BALANCES

TO/FROM	General Fund	Revenue Sharing Reserve Fund	Non-Major Governmental Fund	Fiduciary Funds	Total Due From
General Fund	-	-	7,449	20,000	27,449
Total Due To	<u>-</u>	<u>-</u>	<u>7,449</u>	<u>20,000</u>	<u>27,449</u>

NOTE 7 – INTER-FUND TRANSFERS IN AND OUT

IN/OUT	General Fund	Health Department Funds	Maintenance of Effort Fund	Non-Major Governmental Fund	100% Tax Payment Fund	Internal Service Funds	Total Transfers In
General Fund	-	-	-	1,195,828	425,000	-	1,620,828
Health Department Fund	148,943	-	-	-	-	-	148,943
Non-Major Governmental Funds	1,865,088	4,024	-	160,845	-	-	2,029,957
Internal Service Funds	-	-	-	-	-	-	-
Medical Care Facility Operating Fund	-	-	300,000	-	-	-	300,000
Airport Fund	-	-	-	683,105	-	-	683,105
Total Transfers Out	<u>\$2,014,031</u>	<u>\$4,024</u>	<u>\$ 300.00</u>	<u>\$2,039,778</u>	<u>\$425,000</u>	<u>\$ -</u>	<u>\$4,782,833</u>

COUNTY OF MARQUETTE, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 8 – CAPITAL ASSETS

A summary of the capital assets of the Governmental Activities is as follows:

	Balance at December 31, <u>2006</u>	<u>Additions</u>	<u>Disposals</u>	Balance at December 31, <u>2007</u>
GOVERNMENTAL ACTIVITIES:				
Construction in progress	\$ -	\$ -	\$ -	\$ -
Land	<u>367,733</u>	<u>-</u>	<u>-</u>	<u>367,733</u>
Total Capital Assets, not being depreciated	\$ <u>367,733</u>	<u>-</u>	<u>-</u>	\$ <u>367,733</u>
Land Improvements	35,891	-	-	35,891
Buildings	12,522,771	341,046	-	12,863,817
Equipment	<u>3,147,536</u>	<u>313,101</u>	<u>12,037</u>	<u>3,448,600</u>
Total Capital Assets, being depreciated	<u>15,706,198</u>	<u>654,147</u>	<u>12,037</u>	<u>16,348,308</u>
Less Accumulated Depreciation:				
Land Improvements	(26,706)	(919)	-	(27,625)
Buildings	(8,176,409)	(313,186)	-	(8,489,595)
Equipment	<u>(1,871,379)</u>	<u>(446,917)</u>	<u>(12,037)</u>	<u>(2,306,259)</u>
Total Accumulated Depreciation	<u>(10,074,494)</u>	<u>(761,022)</u>	<u>(12,037)</u>	<u>(10,823,479)</u>
Government-Type Activities Capital Assets, Net	<u>\$ 5,999,437</u>	<u>\$ (106,875)</u>	<u>\$ -</u>	<u>\$ 5,892,562</u>

Depreciation expenses for the governmental activities were charged to the following functions and activities of the primary government:

Governmental:	
Courts	\$ 10,576
Law Enforcement	355,654
Resource Management	55,716
Other	339,076
Total	<u>\$ 761,022</u>

COUNTY OF MARQUETTE, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 8 – CAPITAL ASSETS - CONTINUED

A summary of changes in business-type activities capital assets is as follows:

	Balance at December 31, 2006	Additions	Disposals	Balance at December 31, 2007
BUSINESS-TYPE ACTIVITIES:				
Construction in progress	\$ 456,576	\$8,437,389	\$8,810,083	\$ 83,882
Land	<u>15,270,486</u>	<u> </u>	<u> </u>	<u>15,270,486</u>
Total Capital Assets, not being depreciated	<u>15,727,062</u>	<u>8,437,389</u>	<u>8,810,083</u>	<u>15,354,368</u>
Land improvements	12,021,213	734,281	-	12,755,494
Buildings	36,658,119	8,254,376	-	44,912,495
Utility Systems	2,553,917	-	-	2,553,917
Equipment	<u>2,953,096</u>	<u>332,965</u>	<u> </u>	<u>3,286,061</u>
Total Capital Assets, being depreciated	<u>54,186,345</u>	<u>9,321,622</u>	<u> </u>	<u>63,507,967</u>
Less Accumulated Depreciation:				
Land Improvements	(2,531,561)	(333,368)	-	(2,864,929)
Buildings	(8,728,379)	(931,108)	-	(9,659,487)
Utility Systems	(269,682)	(127,696)	-	(397,378)
Equipment	<u>(1,933,093)</u>	<u>(529,503)</u>	<u> </u>	<u>(2,462,596)</u>
Total Accumulated Depreciation	<u>(13,462,715)</u>	<u>(1,921,675)</u>	<u> </u>	<u>(15,384,390)</u>
Business-Type Activities Capital Assets, Net	<u>\$56,450,692</u>	<u>\$15,837,336</u>	<u>\$8,810,083</u>	<u>\$63,477,945</u>

Depreciation expense for the business-type activities was charged to the following funds primary government:

Business-Type Activities:	
Medical Care Facility	\$ 458,160
Airport	1,066,993
Forestry	16,679
Sewer	261,128
Water	<u>118,715</u>
Total Depreciation Expense – Business-Type Activities	<u>\$1,921,675</u>

COUNTY OF MARQUETTE, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 8 – CAPITAL ASSETS - CONTINUED

A summary of component units' capital assets is as follows:

	<u>Road Commission</u>	<u>Total Component Units</u>
COMPONENT UNITS:		
Capital Assets Not Being Depreciated:		
Land	\$ 272,377	\$ 272,377
Land Improvements - Infrastructure	22,313,451	22,313,451
Construction in Progress	-	-
Subtotal	<u>\$ 22,585,828</u>	<u>\$ 22,585,828</u>
Capital Assets Being Depreciated:		
Depletable Assets	\$ 161,686	\$ 161,686
Buildings	2,103,724	2,103,724
Road Equipment	11,299,828	11,0299,828
Shop Equipment	151,310	151,310
Office Equipment	197,733	197,733
Engineers' Equipment	75,417	75,417
Yard and Storage	697,361	697,361
Vehicles	36,975	36,975
Infrastructure - Bridges	5,908,291	5,908,291
Infrastructure - Roads	29,999,364	29,999,364
Subtotal	<u>50,631,689</u>	<u>50,631,689</u>
Less Accumulated Depreciation:		
Depletable Assets	(161,686)	(161,686)
Buildings	(1,269,499)	(1,269,499)
Road Equipment	(10,274,063)	(10,274,063)
Shop Equipment	(121,720)	(121,720)
Office Equipment	(185,907)	(185,907)
Engineers' Equipment	(63,080)	(63,080)
Yard and Storage	(251,631)	(251,631)
Vehicles	(36,975)	(36,975)
Infrastructure - Bridges	(1,491,139)	(1,491,139)
Infrastructure - Roads	(14,228,967)	(14,228,967)
Subtotal	<u>(28,084,667)</u>	<u>(28,084,667)</u>
Net Capital Assets Being Depreciated	<u>22,547,022</u>	<u>22,547,022</u>
Total Net Capital Assets	<u>\$ 45,132,850</u>	<u>\$ 45,132,850</u>

Depreciation expense for the component units was charged to the following funds:

Component Units:	
Road Commission	<u>\$ 2,024,729</u>
Total Depreciation Expense – Component Units	<u>\$ 2,024,729</u>

COUNTY OF MARQUETTE, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 9 – DEFERRED REVENUES

Deferred revenues are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met.

1. The County has deferred revenue related to the property tax levied December 1, 2007, to be recorded as revenue in the subsequent year when the proceeds of the levy are budgeted and made available for financing of County operations. The Deferred Revenue Related to this is as follows:

General Fund	\$2,313,563
Maintenance of Effort Fund	\$ 886,643
Central Dispatch Fund	\$ 819,966
Rescue Safety Fund	\$ 251,407
Aging Services Fund	\$ 742,167

2. The Community and Economic Development Fund have reported \$ 2,155,691, which represents Community Development Block Grant loans to various individuals in accordance with the County housing rehabilitation projects. Terms vary with respect to repayment of these loans. Proceeds from repayments on these loans will be used for future County economic and community development.
3. The Medical Care Facility Fund has reported no Proportionate Share Reimbursement Program monies from the State of Michigan.
4. The County Road Commission Fund has reported \$250,000, which represents Forest Road Monies that have been paid, but not yet expended.

NOTE 10 – PENSION PLAN – DEFINED BENEFIT

DEFINED BENEFIT PENSION PLAN – COUNTY

Plan Description - The County contributes to the Municipal Employees Retirement System of Michigan (System), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for all Michigan municipal employees. The System issues a publicly available financial report that includes financial statements and required supplementary information for the system. That report may be obtained by writing to MERS at 1134 Municipal Way, Lansing, MI. 48917-9755.

Funding Policy - The obligation to contribute to and maintain the system for these employees was established by negotiation with the County's competitive bargaining units, and requires a contribution from the employees of 2-3 % of gross wages.

Annual Pension Cost - For year ended December 31, 2007, the County's annual pension cost of \$2,179,956 for the plan was equal to the County's required and actual contribution. The annual required contribution was determined as part of an actuarial valuation at December 31, 2005, using the entry age cost method. Significant actuarial assumptions used include: (a) an 8.0 investment rate of return; and (b) projected salary increases of 4.5 percent per year. Both (a) and (b) include an inflation component of 4.5%. The actuarial value of assets was determined using techniques that smooth the effects of short term volatility over a four year period. The unfunded actuarial liability is being amortized as a level percentage of payroll on a closed basis. The remaining amortization period is 30 years.

COUNTY OF MARQUETTE, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 10 – PENSION PLAN – DEFINED BENEFIT - CONTINUED

	<u>2006</u>	<u>2005</u>	<u>2004</u>
Annual Pension Cost	2,555,436	\$ 2,467,716	\$ 1,732,740
Percentage of APC Contributed	100%	100%	100%
Net Pension Obligation	0	0	0
Actuarial Value of Assets	46,346,569	\$43,191,380	\$40,640,732
Actuarial Accrued Liability (AAL)	66,294,228	\$62,694,361	\$58,203,010
Unfunded AAL	19,947,659	\$19,502,981	\$17,562,278
Funded Ratio	70%	69%	70%
Covered Payroll	11,359,064	\$10,851,221	\$12,289,495
UAAL as a Percentage of Covered Payroll	176%	180%	143%

DEFINED BENEFIT PENSION PLAN – COUNTY ROAD COMMISSION

Plan Description - The County Road Commission contributes to the Municipal Employees Retirement System of Michigan (System), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for all Michigan municipal employees. The System issues a publicly available financial report that includes financial statements and required supplementary information for the system. That report may be obtained by writing to MERS at 1134 Municipal Way, Lansing, MI 48917-9755.

Funding Policy - The obligation to contribute to and maintain the system for these employees was established by negotiation with the County's competitive bargaining units, and requires a contribution from the employees of 0-10 % of gross wages.

Annual Pension Cost - During the calendar year ended December 31, 2006, the County Road Commission's annual pension cost of \$576,229 for the plan was equal to the County's required and actual contribution. The annual required contribution was determined as part of an actuarial valuation at December 31, 2004, using the entry actual age cost method. Significant actuarial assumptions used include: (a) an 8.0 investment rate of return; and (b) projected salary increases of 4.5 percent per year. Both (a) and (b) include an inflation component of 4.5%. The actuarial value of assets was determined using techniques that smooth the effects of short term volatility over a four year period. The unfunded actuarial liability is being amortized as a level percentage of payroll on a closed basis. The remaining amortization period is 30 years.

	<u>2006</u>	<u>2005</u>	<u>2004</u>
Annual Pension Cost	765,489	\$ 857,852	\$ 625,119
Percentage of APC Contributed	100%	100%	100%
Net Pension Obligation	0	0	0
Actuarial Value of Assets	10,361,813	\$ 9,732,041	\$ 9,113,598
Actuarial Accrued Liability (AAL)	20,058,082	\$18,121,910	\$17,146,651
Unfunded AAL (UAAL)	9,696,269	\$ 8,389,869	\$ 8,033,053
Funded Ratio	52%	54%	53%
Covered Payroll	2,614,929	\$ 2,728,736	\$2,671,786
UAAL as a Percentage of Covered Payroll	371%	307%	301%

COUNTY OF MARQUETTE, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 11 – DEFINED CONTRIBUTION PENSION PLAN

The County also provides pension benefits to its employees through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The County established the plans in the form of the ICMA Retirement Corporation Governmental Money Purchase Plan and Trust, as amended by and as authorized by Section 19A of the Municipal Employee's Retirement System of Michigan Plan Document. The ICMA Retirement Corporation is the Plan Administrator. The County's total pension expense for this plan for this current fiscal year was \$286,340.

NOTE 12 – DEFERRED COMPENSATION PLAN

The County of Marquette and its Component Unit's offers its employees deferred compensation plans in accordance with the Internal Revenue Code, Section 457. The plans are available to all county employees and permit them to defer a portion of their current earnings until the employee's termination, retirement, death or unforeseeable future.

Due to changes in the Internal Revenue Code, the Plan's assets are considered to be property of the Plan's participants and no longer subject to the County's general creditors. Therefore, in accordance with the provisions of GASB Statement No. 32, the Plan balances and activities are not reflected in these financial statements.

The Plan's participants have the right to designate how the funds will be invested. Accordingly, the County has no liability for losses under the Plan. The Plan's assets are held in trust for the exclusive benefit of the Plan's participants and their beneficiaries.

The County's plans are administered by International City Management Association (ICMA), Nationwide, and F. T. Jones. The plan administrators agree to hold harmless and indemnify the Board, its appointed and elected officers and participating employees from any loss resulting from their failure to perform their duties and services pursuant to the programs.

NOTE 13 - VESTED EMPLOYEE BENEFITS

The County accrues the liability for earned sick leave based on the vesting method. The liability is accrued as the benefits are earned if it is probable that the County will compensate the employees conditioned upon retirement, death, or termination of employment. Employees earn annual vacation, sick, and combined leave at a rate of a certain number of days per year based on the number of years of service up to a maximum number of accumulated days. Annual vacation, sick, and combined leave days are based on various Labor Union Contract terms and administrative policies of the primary government.

NOTE 14 – BUDGET VIOLATIONS

Public Act 621 of 1978, Section 18(1), as amended, provides that a County shall not incur expenditures in excess of the amount appropriated. In the body of the financial statements, the County's actual expenditures and budgeted expenditures have been shown on an activity and/or program level.

COUNTY OF MARQUETTE, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007

The following funds/departments had excess expenditures over appropriations at December 31, 2007:

<u>Fund/Line Item</u>	<u>Final Amended Budget</u>	<u>Actual Expenditures</u>	<u>Variance</u>
Special Revenue Funds:			
Health Department	\$4,397,060	\$4,542,274	145,214

NOTE 15 – CONTINGENT LIABILITIES

The County has received significant financial assistance from state and federal agencies in the form of various grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreement and are subject to audit by the grantor agency. Any disallowed claims resulting from such audits could become a liability of the applicable fund of the County. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the county at December 31, 2007.

Risk Management - The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County has obtained commercial insurance to handle its risk of loss.

Cost Settlement - Medical Care Facility services rendered to various insurance program beneficiaries are paid at prospectively determined rates per discharge. These rates vary according to a client classification system that is based on clinical, diagnostic, and other factors. Certain health services and defined capital costs are paid based on a cost reimbursement methodology. The facility reports such activity through the submission of its annual cost reports which are subject to audit by the fiscal intermediary. The facility's classification of clients under the program and the appropriateness of their admission are subject to an independent review by a peer review organization.

Cost-Based Reimbursement from Medicaid with the State - The Federal Government has audited the state's Medicaid reimbursement methodology and has indicated that the state/local health departments have been reimbursed too much under Medicaid. It has calculated estimates of the potential repayment due from each health department. Marquette County Health Department's overpayment is approximately \$286,000. This analysis was based on estimates, not on actual cost report data for the years 2004, 2005, and 2006.

NOTE 16 – OTHER POST EMPLOYMENT BENEFITS

The County offers group benefits health insurance coverage under various collective bargaining agreements covering substantially all employees and former employees of the County. This benefit is accounted for on the pay-as-you-go method, whereby the County is reporting the amounts paid as expenditures in the year the amount is paid for the benefit provided. The amount paid for former employees for the period ended December 31, 2007, was \$1,280,024, covering 133 participants.

NOTE 17 – RESERVED, DESIGNATED AND RESTRICTED FUND EQUITY

Fund balances in the various funds of the primary government and its component units have been reserved, designated or restricted for the following purposes:

COUNTY OF MARQUETTE, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007

General Fund	
Designated for Risk Control	\$ 30,397
Designated for Family Counseling	26,357
Designated for Vehicle Replacement	7,851
Orthophoto Upgrade	6,987
Designated for Criminal Justice Training	<u>2,697</u>
TOTAL	<u>74,289</u>
Special Revenue Funds	
Public Improvement	
Designated for projects	303,961
Victim Restitution	
Designated for Probation Oversight	4,266
Central Dispatch	
Designated for Training	6,067
Designated for PSAP Operations	<u>371,698</u>
TOTAL	<u>685,992</u>
Enterprise Funds	
Airport	
Designated for Capital Improvement	<u>679,589</u>
TOTAL	<u>679,589</u>
Component Units	
County Road	
Designated for County Road Commission Operations	4,996,951
E.D.C.	
Designated for E.D.C. Operations	<u>1,320,017</u>
TOTAL	<u>6,314,968</u>

NOTE 18 – PROPERTY TAXES

The Local Governmental Unit property tax is levied on each December 1st on the taxable valuation of property (as defined by State statutes) located in the Local Governmental Unit as of the preceding December 31st.

Although the Local Governmental Unit 2007 ad valorem tax is levied and collectible on December 1, 2007, it is the Local Governmental Unit's policy to recognize revenue from the current tax levy in the following year when the proceeds of this levy are budgeted and made "available" for the financing of operations. "Available" means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period sixty (60) days.

Designated for Capital Improvement	496,784
Sales Proceeds Reserve	124,751
Donations Reserve	1,506
Marketing Expense	<u>56,548</u>
	<u><u>679,589</u></u>

NOTE 18 – PROPERTY TAXES - CONTINUED

The 2007 taxable valuation of the Local Governmental Unit totaled \$1,703,205,409, on which ad valorem taxes levied consisted of 5.3522 mills for the County operating purposes, .4426 mills for Aging Services, .4917 mills for Central Dispatch, .1508 mills for Rescue Safety, .5317 mills for Standardization, and .5799 mills for Countywide transit.

COUNTY OF MARQUETTE, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007

NOTE 19 – DEFICIT CASH AND INVESTMENT BALANCES

At December 31, 2007, the following funds had a material cash and investment deficit:

<u>Fund</u>	<u>Deficit Cash/ Investment Balance</u>
Special Revenue Funds	
Friend of the Court	4,325
Health Department	317,072
P.A. 511 Community Corrections	3,895
Remonumentation	34,939

COUNTY OF MARQUETTE, MICHIGAN
MAJOR GOVERNMENTAL FUNDS

GENERAL FUND

**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL**

For the Fiscal Year Ended December 31, 2007

	<u>Original Budget</u>	<u>Final Amended Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Taxes and penalties	\$ 11,405,709	\$ 11,400,297	\$ 11,371,369	\$ (28,928)
Licenses and permits	580,700	616,700	691,633	74,933
Federal sources	178,686	388,052	421,120	33,068
State sources	929,725	1,006,421	964,834	(41,587)
Charges for services	2,914,624	2,954,624	2,974,972	20,348
Interest	320,000	320,000	496,280	176,280
Other Revenues	879,882	1,176,894	1,132,861	(44,033)
TOTAL REVENUES	<u>17,209,326</u>	<u>17,862,988</u>	<u>18,053,069</u>	<u>190,081</u>
EXPENDITURES				
Current				
Legislative	246,537	247,137	235,366	11,771
Courts	3,043,782	3,118,063	3,047,780	70,283
Management	1,209,370	1,211,270	1,154,556	56,714
Public Records	1,432,416	1,439,816	1,359,565	80,251
Law Enforcement	5,284,716	5,561,042	5,390,498	170,544
Human Services	98,886	98,886	94,573	4,313
Resource Management/Development	1,968,007	1,994,023	1,857,261	136,762
Other	3,829,991	3,959,548	3,572,907	386,641
TOTAL EXPENDITURES	<u>17,113,705</u>	<u>17,629,785</u>	<u>16,712,506</u>	<u>917,279</u>
EXCESS REVENUES OVER (UNDER) EXPENDITURES	<u>95,621</u>	<u>233,203</u>	<u>1,340,563</u>	<u>1,107,360</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,782,000	1,780,828	1,620,828	(160,000)
Transfers out	(1,877,621)	(2,014,031)	(2,014,031)	-
TOTAL OTHER FINANCING SOURCES(USES)	<u>(95,621)</u>	<u>(233,203)</u>	<u>(393,203)</u>	<u>(160,000)</u>
CHANGE IN FUND BALANCE	-	-	947,360	947,360
Fund balance, beginning of year	<u>1,601,838</u>	<u>1,601,838</u>	<u>1,601,838</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 1,601,838</u>	<u>\$ 1,601,838</u>	<u>\$ 2,549,198</u>	<u>\$ 947,360</u>

The accompanying notes are an integral part of these financial statements.

COUNTY OF MARQUETTE, MICHIGAN
MAJOR GOVERNMENTAL FUNDS

HEALTH DEPARTMENT FUND

**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL**

For the Fiscal Year Ended December 31, 2007

	<u>Original Budget</u>	<u>Final Amended Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
State sources	\$ 1,628,170	\$ 2,113,699	\$ 2,233,902	\$ 120,203
Charges for services	1,422,370	1,489,617	1,237,516	(252,101)
Other Revenues	<u>668,082</u>	<u>663,403</u>	<u>923,765</u>	<u>260,362</u>
TOTAL REVENUES	<u>3,718,622</u>	<u>4,266,719</u>	<u>4,395,183</u>	<u>128,464</u>
EXPENDITURES				
Personnel services	3,327,289	3,329,656	3,316,598	13,058
Supplies	230,960	231,778	238,960	(7,182)
Other services and charges	736,295	835,626	976,652	(141,026)
Capital outlay	<u>5,469</u>	<u>-</u>	<u>10,064</u>	<u>(10,064)</u>
TOTAL EXPENDITURES	<u>4,300,013</u>	<u>4,397,060</u>	<u>4,542,274</u>	<u>(145,214)</u>
EXCESS REVENUES OVER (UNDER) EXPENDITURES	<u>(581,391)</u>	<u>(130,341)</u>	<u>(147,091)</u>	<u>(16,750)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	581,391	134,365	148,943	14,578
Transfers out	<u>-</u>	<u>(4,024)</u>	<u>(4,024)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES(USES)	<u>581,391</u>	<u>130,341</u>	<u>144,919</u>	<u>14,578</u>
CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>(2,172)</u>	<u>(2,172)</u>
Fund balance, beginning of year	<u>3,875</u>	<u>3,875</u>	<u>3,875</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 3,875</u>	<u>\$ 3,875</u>	<u>\$ 1,703</u>	<u>\$ (2,172)</u>

The accompanying notes are an integral part of these financial statements.

COUNTY OF MARQUETTE, MICHIGAN
MAJOR GOVERNMENTAL FUNDS

COMMUNITY DEVELOPMENT FUND

**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL**

For the Fiscal Year Ended December 31, 2007

	<u>Original Budget</u>	<u>Final Amended Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
State sources	\$ 128,700	\$ 128,700	\$ 125,799	\$ (2,901)
Interest	2,300	2,300	4,933	2,633
Other Revenues	<u>52,000</u>	<u>52,000</u>	<u>63,262</u>	<u>11,262</u>
TOTAL REVENUES	<u>183,000</u>	<u>183,000</u>	<u>193,994</u>	<u>10,994</u>
EXPENDITURES				
Personnel services	47,600	47,600	33,110	14,490
Supplies	1,900	1,900	3,047	(1,147)
Other services and charges	113,035	113,035	109,761	3,274
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>162,535</u>	<u>162,535</u>	<u>145,918</u>	<u>16,617</u>
EXCESS REVENUES OVER (UNDER) EXPENDITURES	<u>20,465</u>	<u>20,465</u>	<u>48,076</u>	<u>27,611</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES(USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CHANGE IN FUND BALANCE	20,465	20,465	48,076	27,611
Fund balance, beginning of year	<u>98,143</u>	<u>98,143</u>	<u>98,143</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u><u>\$ 118,608</u></u>	<u><u>\$ 118,608</u></u>	<u><u>\$ 146,219</u></u>	<u><u>\$ 27,611</u></u>

The accompanying notes are an integral part of these financial statements.

COUNTY OF MARQUETTE, MICHIGAN
MAJOR GOVERNMENTAL FUNDS

MAINTENANCE OF EFFORT FUND

**STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL**

For the Fiscal Year Ended December 31, 2007

	Original Budget	Final Amended Budget	Actual	Variance
REVENUES				
Taxes and penalties	\$ 800,000	\$ 800,000	\$ 830,006	\$ 30,006
Interest	30,000	30,000	88,386	58,386
Other Revenues	-	-	-	-
TOTAL REVENUES	<u>830,000</u>	<u>830,000</u>	<u>918,392</u>	<u>88,392</u>
EXPENDITURES				
Personnel services	-	-	-	-
Supplies	-	-	-	-
Other services and charges	450,000	450,000	439,358	10,642
Capital outlay	-	-	-	-
TOTAL EXPENDITURES	<u>450,000</u>	<u>450,000</u>	<u>439,358</u>	<u>10,642</u>
EXCESS REVENUES OVER (UNDER) EXPENDITURES	<u>380,000</u>	<u>380,000</u>	<u>479,034</u>	<u>99,034</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(300,000)	(300,000)	(300,000)	-
TOTAL OTHER FINANCING SOURCES(USES)	<u>(300,000)</u>	<u>(300,000)</u>	<u>(300,000)</u>	<u>-</u>
CHANGE IN FUND BALANCE	80,000	80,000	179,034	99,034
Fund balance, beginning of year	<u>1,375,587</u>	<u>1,375,587</u>	<u>1,375,587</u>	<u>-</u>
FUND BALANCE, END OF YEAR	<u>\$ 1,455,587</u>	<u>\$ 1,455,587</u>	<u>\$ 1,554,621</u>	<u>\$ 99,034</u>

The accompanying notes are an integral part of these financial statements.

COUNTY OF MARQUETTE, MICHIGAN

GENERAL FUND

BALANCE SHEET

December 31, 2007

ASSETS

Cash and investments	\$	4,095,048
Receivables		209,456
Taxes receivable – current		693,296
Taxes receivable – delinquent personal		72,055
Due from others		23,574
Due from other funds		27,449
Other assets		<u>364,512</u>
TOTAL ASSETS	\$	<u>5,485,390</u>

LIABILITIES AND FUND BALANCE

Liabilities:

Accounts payable	\$	148,535
Due to others		–
Due to other funds		–
Accrued payroll and related		413,913
Accrued sick & vacation leave		60,181
Deferred revenue		<u>2,313,563</u>
TOTAL LIABILITIES		<u>2,936,192</u>

FUND BALANCE

Designated for:

Vehicle Replacement	\$	7,851
Family Counseling		26,357
Risk Control		30,397
Orthophoto Upgrade		6,987
Criminal Justice Reserve		<u>2,697</u>
		74,289

Unreserved		<u>2,474,909</u>
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TOTAL FUND BALANCE		<u>2,549,198</u>
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TOTAL LIABILITIES AND FUND BALANCE	\$	<u>5,485,390</u>
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The accompanying notes are an integral part of these financial statements

COUNTY OF MARQUETTE, MICHIGAN
MAJOR GOVERNMENTAL FUNDS
GENERAL FUND

SCHEDULE OF REVENUES AND OPERATING TRANSFERS IN – BUDGET AND ACTUAL

For the Year Ended December 31, 2007

	Original Budget	Final Amended Budget	Actual	Variance
TAXES AND PENALTIES				
Ad Valorem Taxes	\$ 9,328,737	\$ 9,327,758	\$ 9,332,452	\$ 4,694
Commercial Forest Taxes	160,000	160,000	145,564	(14,436)
Specific Taxes	1,331,484	1,331,484	1,318,684	(12,800)
Trailer Taxes	2,999	2,999	2,727	(272)
Swamp Tax	194,500	194,500	194,344	(156)
Federal Lands Tax	23,000	23,000	22,717	(283)
P.I.L.T. for M.S.H.D.A. Properties	13,000	13,000	7,654	(5,346)
Cigarette Tax	38,000	38,000	31,192	(6,808)
Convention & Tourism Tax	305,989	301,556	301,556	-
Interest on Taxes	8,000	8,000	14,479	6,479
State Sold Bid Interest	-	-	-	-
TOTAL TAXES AND PENALTIES	<u>11,405,709</u>	<u>11,400,297</u>	<u>11,371,369</u>	<u>(28,928)</u>
LICENSES AND PERMITS				
Marriage Licenses	3,000	3,000	3,055	55
Pistol Permits	12,000	6,000	4,706	(1,294)
Other Licenses and Permits	11,000	11,000	10,064	(936)
Building Permits	554,700	596,700	673,808	77,108
TOTAL LICENSES AND PERMITS	<u>580,700</u>	<u>616,700</u>	<u>691,633</u>	<u>74,933</u>
FEDERAL GRANTS				
Byrne Grant	26,309	-	-	-
Domestic Violence Grant	129,500	129,500	130,442	942
GREAT Grant	-	128,375	122,377	(5,998)
Homeland Security	-	107,300	144,420	37,120
Emergency Services Management (FEMA)	22,877	22,877	23,881	1,004
TOTAL FEDERAL GRANTS	<u>178,686</u>	<u>388,052</u>	<u>421,120</u>	<u>33,068</u>
STATE GRANTS				
State Court Funding	273,275	283,275	286,253	2,978
Judicial Standardization	235,500	235,500	236,666	1,166
State Aid-Case Flow Assistance	18,000	24,250	24,250	-
Probate Judges Salary	94,000	94,000	94,195	195
Basic Grant	15,000	15,000	15,000	-
County Juvenile Officer	27,317	27,317	27,317	-
Victim's Rights Act	26,800	26,800	27,232	432
B-3 Grant	-	30,000	29,771	(229)
Prosecuting Attorney (Prison Case)	1,500	1,500	1,111	(389)
Criminal Justice Training	7,000	7,000	5,282	(1,718)
Township Liquor License Fees	9,000	9,000	7,492	(1,508)
Road Patrol – P.A. 416	126,000	126,000	130,333	4,333
U.P.S.E.T. Grant	35,000	30,446	36,267	5,821
RDSS Contract	-	25,000	18,404	(6,596)
Substance Abuse Grant	35,024	35,024	22,775	(12,249)
Drug Enforcement/Probation Grant	26,309	26,309	1,196	(25,113)
Planning Grant	-	10,000	-	(10,000)
Project H.E.M.P.	-	-	1,290	1,290
TOTAL STATE GRANTS	<u>929,725</u>	<u>1,006,421</u>	<u>964,834</u>	<u>(41,587)</u>

COUNTY OF MARQUETTE, MICHIGAN
MAJOR GOVERNMENTAL FUNDS
GENERAL FUND

SCHEDULE OF REVENUES AND OPERATING TRANSFERS IN – BUDGET AND ACTUAL

For the Year Ended December 31, 2007

	Original Budget	Final Amended Budget	Actual	Variance
CHARGES FOR SERVICES				
Circuit Court Costs	\$ 40,000	\$ 40,000	\$ 43,745	\$ 3,745
Circuit Court Services	40,000	30,000	26,615	(3,385)
Circuit Court Costs – 2% Penalty	500	500	166	(334)
Prison Case Reimbursement	30,000	15,000	7,820	(7,180)
District Court Costs	740,000	773,000	786,129	13,129
District Court Supervision Fees	230,000	235,000	242,042	7,042
Probation Officer Assessment Fees	24,000	23,000	21,611	(1,389)
District Court Assaultive Counseling Fees	8,000	8,000	7,524	(476)
District Court Civil Fees	68,000	85,000	85,824	824
District Court Attorney Fees	45,000	38,000	37,317	(683)
District Court A.A.P.	500	500	110	(390)
District Court – Drug Court	12,500	12,500	12,855	355
Pathways – Drug Court	25,000	22,000	25,000	3,000
Probate Court Services	20,000	20,000	15,774	(4,226)
Information Technology Services	97,818	97,818	103,279	5,461
Juvenile Division Services	26,100	26,100	17,129	(8,971)
Jury Reimbursement Fees	18,000	5,000	7,268	2,268
Clerk Services	160,000	175,000	216,450	41,450
Pre-Sentencing Interview	100	100	692	592
Tax Administration Services	106,000	106,000	85,051	(20,949)
Register of Deeds Services	272,000	272,000	263,252	(8,748)
Register of Deeds User Fees	28,000	28,000	30,781	2,781
Real Estate Transfer Tax	215,000	215,000	233,436	18,436
Remonumentation Administration	1,500	1,500	593	(907)
Transcript Revenue	3,000	1,000	1,060	60
Treasurer Services	7,500	7,500	9,205	1,705
Pros. Attorney–License Reinstatements	600	600	1,144	544
Pros. Attorney–Drunk Driving	1,000	1,000	498	(502)
PBT Fees	2,500	2,500	1,431	(1,069)
Pros. Attorney–Fees	30,000	30,000	30,000	–
Sheriff Services	84,000	105,000	118,071	13,071
Contracted Sheriff Services	166,606	166,606	146,739	(19,867)
Prisoners Board	330,000	330,000	322,836	(7,164)
Prisoner Reimbursement	55,000	55,000	63,549	8,549
Sale of Meals	600	600	615	15
Commissary Services	3,000	3,000	3,000	–
Drain Commissioner Services	10,000	10,000	530	(9,470)
Zoning Fees	1,500	1,500	1,459	(41)
Planning Contracted Services	7,500	7,500	2,832	(4,668)
Building Code Services	3,800	3,800	1,540	(2,260)
TOTAL CHARGES FOR SERVICES	<u>2,914,624</u>	<u>2,954,624</u>	<u>2,974,972</u>	<u>20,348</u>
INTEREST				
Investment Income	320,000	320,000	496,280	176,280
TOTAL INTEREST	<u>320,000</u>	<u>320,000</u>	<u>496,280</u>	<u>176,280</u>

COUNTY OF MARQUETTE, MICHIGAN
MAJOR GOVERNMENTAL FUNDS
GENERAL FUND

SCHEDULE OF REVENUES AND OPERATING TRANSFERS IN – BUDGET AND ACTUAL

For the Year Ended December 31, 2007

	<u>Original Budget</u>	<u>Final Amended Budget</u>	<u>Actual</u>	<u>Variance</u>
OTHER REVENUE				
Vending/Pay Phone Commissions	32,100	32,100	33,530	1,430
Hospital/Insurance Prem Reimbursement	2,500	2,500	3,365	865
Ordinance Fines and Costs	32,000	34,000	33,960	(40)
ADC Incentive	80,000	80,000	96,396	16,396
Circuit Court Family Counseling	7,000	7,000	7,455	455
Chapter I GED Grant	1,124	1,124		(1,124)
UPSET Travel Match	500	500	330	(170)
Bond Costs/Forfeitures	35,000	42,000	46,129	4,129
Food Stamp Fraud	1,000	1,000	3,904	2,904
Rental Income	217,058	196,531	203,054	6,523
Election Reimbursements	20,000	22,600	22,657	57
General Reimbursements/Refunds	15,000	44,700	46,701	2,001
Sale of Supplies	4,500	4,500	733	(3,767)
Sale of Assets	-	-	4,796	4,796
GIS Sales	800	800		(800)
Orthophoto Revenue	1,000	1,000	505	(495)
Indirect Cost Charges	400,000	526,000	532,710	6,710
Other Revenues	22,300	32,300	42,393	10,093
Local Contributions	-	-	263	263
Indian Gaming Revenues (2%)	8,000	147,637	54,000	(93,637)
Cash Over/Short	-	-	(20)	(20)
Use of Reserve	-	602		(602)
TOTAL OTHER REVENUES	<u>879,882</u>	<u>1,176,894</u>	<u>1,132,861</u>	<u>(44,033)</u>
TOTAL REVENUES \$	<u><u>17,209,326</u></u>	<u><u>17,862,988</u></u>	<u><u>18,053,069</u></u>	<u><u>190,081</u></u>
OTHER FINANCING SOURCES				
100% Tax Payment Fund	\$ 585,000	\$ 585,000	\$ 425,000	\$ (160,000)
Transfers from Other Funds	<u>1,197,000</u>	<u>1,195,828</u>	<u>1,195,828</u>	<u>-</u>
TOTAL OPERATING TRANSFERS IN \$	<u><u>1,782,000</u></u>	<u><u>1,780,828</u></u>	<u><u>1,620,828</u></u>	<u><u>(160,000)</u></u>

COUNTY OF MARQUETTE, MICHIGAN
MAJOR GOVERNMENTAL FUNDS
GENERAL FUND

SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL

For the Year Ended December 31, 2007

EXPENDITURES:	<u>Original Budget</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
LEGISLATIVE:				
Board of Commissioners				
Personnel Services	\$ 217,295	\$ 217,295	\$ 211,663	\$ 5,632
Supplies	3,800	3,800	2,282	1,518
Other Services and Charges	25,442	26,042	21,421	4,621
Total Board of Commissioners	<u>246,537</u>	<u>247,137</u>	<u>235,366</u>	<u>11,771</u>
TOTAL LEGISLATIVE	<u>246,537</u>	<u>247,137</u>	<u>235,366</u>	<u>11,771</u>
COURTS:				
Circuit Court				
Personnel Services	367,550	374,550	369,352	5,198
Supplies	12,000	13,500	10,065	3,435
Other Services and Charges	230,695	227,695	214,784	12,911
Capital Outlay	-	-	-	-
Total Circuit Court	<u>610,245</u>	<u>615,745</u>	<u>594,201</u>	<u>21,544</u>
District Court				
Personnel Services	1,169,675	1,159,675	1,153,271	6,404
Supplies	50,640	52,140	49,291	2,849
Other Services and Charges	215,974	218,399	213,695	4,704
Capital Outlay	-	-	-	-
Total District Court	<u>1,436,289</u>	<u>1,430,214</u>	<u>1,416,257</u>	<u>13,957</u>
Jury Commission				
Personnel Services	1,350	2,350	1,513	837
Supplies	8,800	7,800	6,811	989
Other Services and Charges	446	446	355	91
Total Jury Commission	<u>10,596</u>	<u>10,596</u>	<u>8,679</u>	<u>1,917</u>
Probate Court				
Personnel Services	395,869	385,169	384,111	1,058
Supplies	8,724	11,224	10,961	263
Other Services and Charges	171,052	204,517	203,728	789
Capital Outlay	-	-	-	-
Total Probate Court	<u>575,645</u>	<u>600,910</u>	<u>598,800</u>	<u>2,110</u>
Juvenile Division				
Personnel Services	314,350	349,250	348,230	1,020
Supplies	6,785	7,185	5,281	1,904
Other Services and Charges	63,563	48,354	46,273	2,081
Total Juvenile Division	<u>384,698</u>	<u>404,789</u>	<u>399,784</u>	<u>5,005</u>
RDSS Contract				
Personnel Services	-	12,400	11,841	559
Supplies	-	-	-	-
Other Services and Charges	-	17,100	16,793	307
Total Reintegration Grant	<u>-</u>	<u>29,500</u>	<u>28,634</u>	<u>866</u>
Drug Enforcement/Probation Grant				
Personnel Services	26,309	24,120	488	23,632
Supplies	-	556	937	(381)
Other Services and Charges	-	1,633	-	1,633
Capital Outlay	-	-	-	-
Total Drug Enforcement/Probation Grant	<u>26,309</u>	<u>26,309</u>	<u>1,425</u>	<u>24,884</u>
TOTAL COURTS	<u>3,043,782</u>	<u>3,118,063</u>	<u>3,047,780</u>	<u>70,283</u>

COUNTY OF MARQUETTE, MICHIGAN
MAJOR GOVERNMENTAL FUNDS
GENERAL FUND

SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL

For the Year Ended December 31, 2007

MANAGEMENT:

County Administrator				
Personnel Services	164,675	164,675	158,230	6,445
Supplies	1,972	2,272	1,923	349
Other Services and Charges	14,627	13,727	11,819	1,908
Total County Administrator	<u>181,274</u>	<u>180,674</u>	<u>171,972</u>	<u>8,702</u>
Human Resources Department				
Personnel Services	131,800	131,800	129,656	2,144
Supplies	1,692	1,692	1,059	633
Other Services and Charges	131,217	123,217	115,484	7,733
Total Human Resources	<u>264,709</u>	<u>256,709</u>	<u>246,199</u>	<u>10,510</u>
Accounting/Finance				
Personnel Services	251,760	251,760	248,025	3,735
Supplies	7,686	9,186	8,290	896
Other Services and Charges	45,241	50,241	45,577	4,664
Capital Outlay	-	-	-	-
Total Accounting/Finance	<u>304,687</u>	<u>311,187</u>	<u>301,892</u>	<u>9,295</u>
Information Systems				
Personnel Services	423,350	424,850	399,113	25,737
Supplies	4,529	4,529	3,357	1,172
Other Services and Charges	30,821	33,321	32,023	1,298
Capital Outlay	-	-	-	-
Total Information Systems	<u>458,700</u>	<u>462,700</u>	<u>434,493</u>	<u>28,207</u>
TOTAL MANAGEMENT	<u>1,209,370</u>	<u>1,211,270</u>	<u>1,154,556</u>	<u>56,714</u>

PUBLIC RECORDS:

County Clerk				
Personnel Services	409,300	409,300	407,652	1,648
Supplies	17,634	17,634	14,265	3,369
Other Services and Charges	27,096	27,096	24,294	2,802
Total County Clerk	<u>454,030</u>	<u>454,030</u>	<u>446,211</u>	<u>7,819</u>
Elections				
Personnel Services	1,753	2,553	2,345	208
Supplies	15,720	14,720	14,433	287
Other Services and Charges	6,593	9,393	9,077	316
Total Elections	<u>24,066</u>	<u>26,666</u>	<u>25,855</u>	<u>811</u>

COUNTY OF MARQUETTE, MICHIGAN
MAJOR GOVERNMENTAL FUNDS
GENERAL FUND

SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL

For the Year Ended December 31, 2007

	<u>Original Budget</u>	<u>Final Amended Budget</u>	<u>Actual</u>	<u>Variance</u>
PUBLIC RECORDS – Continued				
Equalization				
Personnel Services	\$ 137,110	\$ 125,110	\$ 94,885	\$ 30,225
Supplies	6,600	5,575	4,781	794
Other Services and Charges	59,319	61,444	55,074	6,370
Capital Outlay	-	-	-	-
Total Equalization	<u>203,029</u>	<u>192,129</u>	<u>154,740</u>	<u>37,389</u>
Tax Administration				
Personnel Services	146,100	158,100	150,172	7,928
Supplies	33,030	32,305	31,493	812
Other Services and Charges	9,436	10,561	9,378	1,183
Total Tax Administration	<u>188,566</u>	<u>200,966</u>	<u>191,043</u>	<u>9,923</u>
Register of Deeds				
Personnel Services	282,575	285,875	275,418	10,457
Supplies	10,854	10,681	6,763	3,918
Other Services and Charges	7,956	8,129	7,873	256
Total Register of Deeds	<u>301,385</u>	<u>304,685</u>	<u>290,054</u>	<u>14,631</u>
Treasurer				
Personnel Services	235,452	231,802	222,942	8,860
Supplies	4,805	4,805	4,116	689
Other Services and Charges	21,083	24,733	24,604	129
Capital Outlay	-	-	-	-
Total Treasurer	<u>261,340</u>	<u>261,340</u>	<u>251,662</u>	<u>9,678</u>
TOTAL PUBLIC RECORDS	<u>1,432,416</u>	<u>1,439,816</u>	<u>1,359,565</u>	<u>80,251</u>
LAW ENFORCEMENT:				
Prosecuting Attorney				
Personnel Services	957,200	973,400	954,918	18,482
Supplies	22,240	22,240	17,167	5,073
Other Services and Charges	41,709	41,709	35,767	5,942
Capital Outlay	-	4,400	2,200	2,200
Total Prosecuting Attorney	<u>1,021,149</u>	<u>1,041,749</u>	<u>1,010,052</u>	<u>31,697</u>
Domestic Violence Grant				
Personnel Services	91,300	91,300	91,140	160
Supplies	38,200	-	-	-
Other Services and Charges	-	43,200	41,302	1,898
Capital Outlay	-	-	-	-
Total Domestic Violence Grant	<u>129,500</u>	<u>134,500</u>	<u>132,442</u>	<u>2,058</u>
Total Prosecuting Attorney	<u>1,150,649</u>	<u>1,176,249</u>	<u>1,142,494</u>	<u>33,755</u>
Sheriff				
Sheriff – Administration				
Personnel Services	333,165	313,165	284,767	28,398
Supplies	15,354	17,354	12,788	4,566
Other Services and Charges	56,202	55,902	51,255	4,647
Capital Outlay	-	-	-	-
Total Administration	<u>404,721</u>	<u>386,421</u>	<u>348,810</u>	<u>37,611</u>

COUNTY OF MARQUETTE, MICHIGAN
MAJOR GOVERNMENTAL FUNDS
GENERAL FUND

SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL

For the Year Ended December 31, 2007

	<u>Original Budget</u>	<u>Final Amended Budget</u>	<u>Actual</u>	<u>Variance</u>
LAW ENFORCEMENT – Continued				
Sheriff – Detective/Investigation				
Personnel Services	\$ 111,465	\$ 113,965	\$ 113,939	\$ 26
Supplies	2,700	2,850	2,203	647
Other Services and Charges	6,597	5,947	2,876	3,071
Total Detective/Investigation	<u>120,762</u>	<u>122,762</u>	<u>119,018</u>	<u>3,744</u>
 Sheriff – U.P.S.E.T. Program				
Personnel Services	\$ 79,716	\$ 79,716	\$ 78,352	1,364
Supplies	–	–	–	–
Other Services and Charges	1,282	1,282	748	534
Total U.P.S.E.T. Program	<u>80,998</u>	<u>80,998</u>	<u>79,100</u>	<u>1,898</u>
 Sheriff – Public Safety				
Personnel Services	681,260	725,760	724,935	825
Supplies	39,125	39,125	36,645	2,480
Other Services and Charges	34,431	35,533	26,989	8,544
Capital Outlay	–	3,300	3,293	7
Total Public Safety	<u>754,816</u>	<u>803,718</u>	<u>791,862</u>	<u>11,856</u>
 Sheriff – Township Contracts				
Personnel Services	148,657	148,656	145,868	2,788
Supplies	9,975	11,875	10,397	1,478
Other Services and Charges	6,075	7,575	4,616	2,959
Capital Outlay	–	–	–	–
Total Township Contracts	<u>164,707</u>	<u>168,106</u>	<u>160,881</u>	<u>7,225</u>
 Sheriff – P.A. 416				
Personnel Services	138,308	129,158	126,691	2,467
Supplies	11,800	11,800	9,698	2,102
Other Services and Charges	1,764	1,764	1,122	642
Capital Outlay	–	–	–	–
Total P.A. 416	<u>151,872</u>	<u>142,722</u>	<u>137,511</u>	<u>5,211</u>
 Sheriff – Court Security				
Personnel Services	137,400	139,900	139,971	(71)
Supplies	1,700	1,700	804	896
Other Services and Charges	2,447	2,447	455	1,992
Capital Outlay	–	–	–	–
Total Court Security	<u>141,547</u>	<u>144,047</u>	<u>141,230</u>	<u>2,817</u>

COUNTY OF MARQUETTE, MICHIGAN
MAJOR GOVERNMENTAL FUNDS
GENERAL FUND

SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL

For the Year Ended December 31, 2007

	<u>Original Budget</u>	<u>Final Amended Budget</u>	<u>Actual</u>	<u>Variance</u>
<u>LAW ENFORCEMENT – Continued</u>				
Sheriff – GREAT Grant				
Personnel Services	–	98,365	97,123	1,242
Supplies	–	17,450	14,280	3,170
Other Services and Charges	–	12,560	10,974	1,586
Capital Outlay	–	–	–	–
Total Emergency Services	<u>–</u>	<u>128,375</u>	<u>122,377</u>	<u>5,998</u>
Sheriff – Emergency Services				
Personnel Services	85,235	86,935	86,888	47
Supplies	4,648	4,598	4,400	198
Other Services and Charges	9,950	10,000	9,696	304
Capital Outlay	–	–	–	–
Total Emergency Services	<u>99,833</u>	<u>101,533</u>	<u>100,984</u>	<u>549</u>
Sheriff – Homeland Security				
Personnel Services	–	–	–	–
Supplies	–	–	–	–
Other Services and Charges	–	–	–	–
Capital Outlay	–	107,300	107,197	103
Total Homeland Security	<u>–</u>	<u>107,300</u>	<u>107,197</u>	<u>103</u>
Sheriff – Rehabilitation				
Personnel Services	1,652,420	1,627,420	1,599,960	27,460
Supplies	23,875	27,875	20,993	6,882
Other Services and Charges	231,428	228,428	223,050	5,378
Total Rehabilitation	<u>1,907,723</u>	<u>1,883,723</u>	<u>1,844,003</u>	<u>39,720</u>
Sheriff – Jail Services				
Personnel Services	269,540	277,540	276,146	1,394
Supplies	1,400	1,400	930	470
Other Services and Charges	–	–	–	–
Total Jail Services	<u>270,940</u>	<u>278,940</u>	<u>277,076</u>	<u>1,864</u>
Sheriff – Substance Abuse Grant				
Other Services and Charges	35,024	35,024	17,955	17,069
Total Substance Abuse Grant	<u>35,024</u>	<u>35,024</u>	<u>17,955</u>	<u>17,069</u>
Sheriff – G.E.D. Grant				
Personnel Services	–	–	–	–
Other Services and Charges	1,124	1,124	–	1,124
Total G.E.D. Grant	<u>1,124</u>	<u>1,124</u>	<u>–</u>	<u>1,124</u>
Total Sheriff	<u>4,134,067</u>	<u>4,384,793</u>	<u>4,248,004</u>	<u>136,789</u>
TOTAL LAW ENFORCEMENT	<u>5,284,716</u>	<u>5,561,042</u>	<u>5,390,498</u>	<u>170,544</u>

COUNTY OF MARQUETTE, MICHIGAN
MAJOR GOVERNMENTAL FUNDS
GENERAL FUND

SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL

For the Year Ended December 31, 2007

	<u>Original Budget</u>	<u>Final Amended Budget</u>	<u>Actual</u>	<u>Variance</u>
HUMAN SERVICES:				
Cooperative Extension Service				
Personnel Services	65,370	65,370	63,471	\$ 1,899
Supplies	7,650	7,650	6,404	1,246
Other Services and Charges	25,866	25,866	24,698	1,168
Total Cooperative Extension	<u>98,886</u>	<u>98,886</u>	<u>94,573</u>	<u>4,313</u>
TOTAL HUMAN SERVICES	<u>98,886</u>	<u>98,886</u>	<u>94,573</u>	<u>4,313</u>
RESOURCE MANAGEMENT AND DEVELOPMENT:				
Drain Commissioner				
Personnel Services	56,911	56,911	53,521	3,390
Supplies	217	217	-	217
Other Services and Charges	15,932	15,932	8,272	7,660
Total Drain Commissioner	<u>73,060</u>	<u>73,060</u>	<u>61,793</u>	<u>11,267</u>
Plat Board				
Personnel Services	600	600	207	393
Supplies	-	-	-	-
Other Services and Charges	-	-	-	-
Total Plat Board	<u>600</u>	<u>600</u>	<u>207</u>	<u>393</u>
Mine Inspector				
Personnel Services	51,485	51,485	50,055	1,430
Supplies	100	100	-	100
Other Services and Charges	1,982	1,982	1,304	678
Capital Outlay	-	-	-	-
Total Mine Inspector	<u>53,567</u>	<u>53,567</u>	<u>51,359</u>	<u>2,208</u>
Resource Management & Development				
Department				
Overall Administration				
Personnel Services	153,735	154,385	152,839	1,546
Supplies	2,732	2,582	1,506	1,076
Other Services and Charges	28,065	28,066	24,385	3,681
Capital Outlay	-	-	-	-
Total Overall Administration	<u>184,532</u>	<u>185,033</u>	<u>178,730</u>	<u>6,303</u>
Planning Commission				
Personnel Services	234,725	244,725	244,276	449
Supplies	5,330	5,330	2,892	2,438
Other Services and Charges	35,217	34,217	23,479	10,738
Capital Outlay	-	1,000	1,009	(9)
Total Planning Commission	<u>275,272</u>	<u>285,272</u>	<u>271,656</u>	<u>13,616</u>
Building Code				
Personnel Services	563,800	563,800	555,551	8,249
Supplies	37,013	37,013	24,182	12,831
Other Services and Charges	27,286	27,286	13,165	14,121
Capital Outlay	-	-	-	-
Total Building Code	<u>628,099</u>	<u>628,099</u>	<u>592,898</u>	<u>35,201</u>

COUNTY OF MARQUETTE, MICHIGAN
MAJOR GOVERNMENTAL FUNDS
GENERAL FUND

SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL

For the Year Ended December 31, 2007

	<u>Original Budget</u>	<u>Final Amended Budget</u>	<u>Actual</u>	<u>Variance</u>
<u>RESOURCE MANAGEMENT AND DEVELOPMENT – Continued</u>				
Courthouse, Annex, Jail				
Personnel Services	364,900	363,200	334,861	\$ 28,339
Supplies	22,365	22,205	21,689	516
Other Services and Charges	286,831	264,006	257,495	6,511
Capital Outlay	11,350	11,350	7,203	4,147
Total Courthouse, Annex, Jail	<u>685,446</u>	<u>660,761</u>	<u>621,248</u>	<u>39,513</u>
Internal Services Support				
Personnel Services	45,486	56,386	43,764	12,622
Supplies	900	4,250	2,635	1,615
Other Services and Charges	21,045	46,495	32,811	13,684
Capital Outlay	-	500	160	340
Total Internal Serv.Support	<u>67,431</u>	<u>107,631</u>	<u>79,370</u>	<u>28,261</u>
Total Resource Mgmt and Development Departments	<u>1,840,780</u>	<u>1,866,796</u>	<u>1,743,902</u>	<u>122,894</u>
TOTAL RESOURCE MANAGEMENT AND DEVELOPMENT	<u>1,968,007</u>	<u>1,994,023</u>	<u>1,857,261</u>	<u>136,762</u>
OTHER EXPENDITURES:				
Employee Benefits	1,491,900	1,460,063	1,303,753	156,310
Statutory Programs	115,702	110,702	98,780	11,922
Special Appropriations	1,962,699	2,000,450	1,998,323	2,127
Miscellaneous	259,690	388,333	172,051	216,282
TOTAL OTHER EXPENDITURES	<u>3,829,991</u>	<u>3,959,548</u>	<u>3,572,907</u>	<u>386,641</u>
TOTAL EXPENDITURES	<u>\$ 17,113,705</u>	<u>\$ 17,629,785</u>	<u>\$ 16,712,506</u>	<u>\$ 917,279</u>

COUNTY OF MARQUETTE, MICHIGAN
MAJOR GOVERNMENTAL FUNDS
GENERAL FUND

SCHEDULE OF OPERATING TRANSFERS OUT – BUDGET AND ACTUAL

For the Year Ended December 31, 2007

OPERATING UNIT/FUND	Original Budget	Final Amended Budget	Actual	Variance
COURT APPROPRIATIONS				
Friend of the Court Fund				
Friend of the Court	\$ 289,796	\$ 303,503	\$ 303,503	\$ -
Family Support	81,294	93,014	93,014	-
Law Library Fund	41,800	44,800	44,800	-
Probate Child Care Fund	1,108,288	1,136,220	1,136,220	-
TOTAL COURT APPROPRIATIONS	<u>1,521,178</u>	<u>1,577,537</u>	<u>1,577,537</u>	<u>-</u>
HUMAN SERVICE APPROPRIATIONS				
County Health Department Fund	148,943	148,943	148,943	-
Soldier & Sailor Relief Fund	7,500	7,500	7,500	-
TOTAL HUMAN SERVICE APPROPRIATIONS	<u>156,443</u>	<u>156,443</u>	<u>156,443</u>	<u>-</u>
OTHER APPROPRIATIONS				
Insurance Fund	-	-	-	-
Public Improvement Fund	200,000	280,051	280,051	-
TOTAL OTHER APPROPRIATIONS	<u>200,000</u>	<u>280,051</u>	<u>280,051</u>	<u>-</u>
TOTAL TRANSFERS OUT	<u>\$ 1,877,621</u>	<u>\$ 2,014,031</u>	<u>\$ 2,014,031</u>	<u>\$ -</u>

COUNTY OF MARQUETTE, MICHIGAN

NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET

December 31, 2007

	Special Revenue Funds		Capital Projects Funds		Total
ASSETS					
Cash and investments	\$ 11,182,771	\$	-	\$	11,182,771
Receivables	2,556,319		-		2,556,319
Due from State	332,727		-		332,727
Due from others	-		-		-
Due from other funds	-		-		-
Loans Receivable	292,523		-		292,523
Other assets	-		-		-
TOTAL ASSETS	\$ 14,364,340	\$	-	\$	14,364,340
LIABILITIES AND FUND BALANCE					
LIABILITIES:					
Cash overdraft	\$ 43,159	\$	-	\$	43,159
Accounts payable	88,634		-		88,634
Due to State	-		-		-
Due to others	1,192,747		-		1,192,747
Due to other funds	7,449		-		7,449
Accrued payroll and related	49,708		-		49,708
Accrued sick and vacation	17,820		-		17,820
Deferred revenue	1,813,540		-		1,813,540
TOTAL LIABILITIES	3,213,057		-		3,213,057
FUND BALANCE:					
Designated for:					
Capital Outlay	303,961		-		303,961
Debt service	-		-		-
Other	382,031		-		382,031
Unreserved, reported in:					
Special revenue funds	10,465,291		-		10,465,291
Capital projects funds	-		-		-
TOTAL FUND BALANCE	11,151,283		-		11,151,283
TOTAL LIABILITIES AND FUND BALANCE	\$ 14,364,340	\$	-	\$	14,364,340

COUNTY OF MARQUETTE, MICHIGAN

NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

For the Fiscal Year Ended December 31, 2007

		Special Revenue Funds	Capital Projects Funds	Total
REVENUES:				
Taxes & penalties	\$	1,710,394	\$ -	\$ 1,710,394
Federal sources		710,176		710,176
State sources		1,674,908	-	1,674,908
Charges for services		90,175	-	90,175
Fines and forfeits		-	-	-
Interest		486,959	-	486,959
Other		438,739	-	438,739
TOTAL REVENUES		<u>5,111,351</u>	<u>-</u>	<u>5,111,351</u>
EXPENDITURES:				
Current operations:				
Legislative	\$	-	\$ -	\$ -
Courts		2,977,630	-	2,977,630
Management		3,853	-	3,853
Public Records		257,436	-	257,436
Law Enforcement		1,420,138	-	1,420,138
Human Services		1,006,549	-	1,006,549
Resource Mgmt/Development		496,589	-	496,589
Other		8,829	-	8,829
TOTAL EXPENDITURES		<u>6,171,024</u>	<u>-</u>	<u>6,171,024</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES		<u>(1,059,673)</u>	<u>-</u>	<u>(1,059,673)</u>
OTHER FINANCING SOURCES(USES):				
Transfers in		2,029,957	-	2,029,957
Transfers out		(2,039,778)	-	(2,039,778)
TOTAL OTHER FINANCING SOURCES(USES)		<u>(9,821)</u>	<u>-</u>	<u>(9,821)</u>
CHANGE IN FUND BALANCE		<u>(1,069,494)</u>	<u>-</u>	<u>(1,069,494)</u>
Fund balance, beginning of year		<u>12,220,777</u>	<u>-</u>	<u>12,220,777</u>
FUND BALANCE, END OF YEAR	\$	<u>11,151,283</u>	\$ <u>-</u>	\$ <u>11,151,283</u>

COUNTY OF MARQUETTE, MICHIGAN

NONMAJOR SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET

December 31, 2007

	Prosecutor's Forfeiture Account Fund	Domestic Violence Fund	Airport Stabilization Fund	Public Improvement Fund	Land Acquisition Fund	Victim Restitution Fund	Friend of the Court Fund	Sawyer Maintenance Fund	Sawyer Intermediary Relending Fund
ASSETS									
Cash and investments	\$ 18,245	\$ 1,105	\$ 4,110,948	\$ 388,000	\$ 215,254	\$ 19,123	\$ -	\$ 57,900	\$ 547,884
Receivables			165,868	-	-	-	-	454,062	-
Due from State	-	-	-	-	-	-	142,513	-	-
Due from other funds	-	-	-	-	-	-	-	-	-
Loans receivable	-	-	-	-	-	-	-	-	292,523
Other Assets	-	-	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 18,245	\$ 1,105	\$ 4,276,816	\$ 388,000	\$ 215,254	\$ 19,123	\$ 142,513	\$ 511,962	\$ 840,407
LIABILITIES AND FUND BALANCE									
LIABILITIES:									
Cash overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,325	\$ -	\$ -
Accounts payable	-	-	-	4,914	-	46	7,487	4,850	-
Due to State	-	-	-	-	-	-	-	-	-
Due to others	2,247	-	-	-	-	-	-	466,664	723,818
Due to other funds	-	-	-	-	-	-	-	-	-
Accrued payroll and related	-	-	-	-	-	-	-	-	-
Accrued sick and vacation	-	-	-	-	-	-	6,464	-	-
Deferred revenue	-	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	2,247	-	-	4,914	-	46	18,276	471,514	723,818
FUND BALANCE									
Designated for:									
Capital Outlay	-	-	-	303,961	-	-	-	-	-
Other	-	-	-	-	-	4,266	-	-	-
Unreserved	15,998	1,105	4,276,816	79,125	215,254	14,811	124,237	40,448	116,589
TOTAL FUND BALANCE	15,998	1,105	4,276,816	383,086	215,254	19,077	124,237	40,448	116,589
TOTAL LIABILITIES AND FUND BALANCE	\$ 18,245	\$ 1,105	\$ 4,276,816	\$ 388,000	\$ 215,254	\$ 19,123	\$ 142,513	\$ 511,962	\$ 840,407

continued.....

COUNTY OF MARQUETTE, MICHIGAN

NONMAJOR SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET

December 31, 2007

		Rescue Safety Fund	Law Library Fund	P.A. 511 Fund	Child Care SODA Grant Fund	Building Authority Fund	Sheriff MCTV Grant Fund	Central Dispatch Fund	Probate Child Care Fund
ASSETS									
Cash and investments	\$	185,865	\$ 8,285	\$ -	\$ 2,751	\$ 213,503	\$ 323	\$ 1,064,956	\$ 151,310
Receivables		235,403	-	-	-	-	27,698	767,743	61,406
Due from State		-	-	13,218	-	-	-	-	176,996
Due from other funds		-	-	-	-	-	-	-	-
Loans receivable		-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	-	-
TOTAL ASSETS	\$	421,268	\$ 8,285	\$ 13,218	\$ 2,751	\$ 213,503	\$ 28,021	\$ 1,832,699	\$ 389,712
LIABILITIES AND FUND BALANCE									
LIABILITIES:									
Cash overdraft	\$	-	\$ -	\$ 3,895	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Payable		2,876	3,360	396	-	-	5,296	1,186	16,003
Due to State		-	-	-	-	-	-	-	-
Due to others		-	-	-	-	-	-	-	-
Due to other funds		-	-	-	-	-	7,449	-	-
Accrued payroll and related		5,485	-	-	-	-	-	35,640	-
Accrued sick and vacation		2,010	-	-	-	-	850	1,334	6,247
Deferred revenue		251,407	-	-	-	-	-	819,966	-
TOTAL LIABILITIES		261,778	3,360	4,291	-	-	13,595	858,126	22,250
FUND BALANCE									
Designated for:									
Capital Outlay		-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	377,765	-
Unreserved		159,490	4,925	8,927	2,751	213,503	14,426	596,808	367,462
TOTAL FUND BALANCE		159,490	4,925	8,927	2,751	213,503	14,426	974,573	367,462
TOTAL LIABILITIES AND FUND BALANCE	\$	421,268	\$ 8,285	\$ 13,218	\$ 2,751	\$ 213,503	\$ 28,021	\$ 1,832,699	\$ 389,712

continued.....

COUNTY OF MARQUETTE, MICHIGAN

NONMAJOR SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET

December 31, 2007

	Veterans Trust Fund	Soldiers & Sailors Relief Fund	Aging Services Fund	Budget Stabilization Fund	Homestead Property Administration Fund	County Remonu- mentation Fund	Register of Deeds Automation Fund	Revenue Sharing Fund	Total
ASSETS									
Cash and investments	\$ 1,894	\$ 5,948	\$ 115,268	\$ 171,110	\$ 21,251	\$ -	\$ 126,307	\$ 3,755,541	\$ 11,182,771
Receivables			721,482	-	-	122,657	-	-	2,556,319
Due from State	-	-	-	-	-	-	-	-	332,727
Due from other funds	-	-	-	-	-	-	-	-	-
Loans receivable	-	-	-	-	-	-	-	-	292,523
Other Assets	-	-	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 1,894	\$ 5,948	\$ 836,750	\$ 171,110	\$ 21,251	\$ 122,657	\$ 126,307	\$ 3,755,541	\$ 14,364,340
LIABILITIES AND FUND BALANCE									
LIABILITIES:									
Cash overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34,939	\$ -	\$ -	\$ 43,159
Accounts payable	1,216	-	23,654	-	1,731	15,619	-	-	88,634
Due to State	-	-	-	-	-	-	-	-	-
Due to others	-	-	-	-	18	-	-	-	1,192,747
Due to other funds	-	-	-	-	-	-	-	-	7,449
Accrued payroll and related	-	-	8,583	-	-	-	-	-	49,708
Accrued sick and vacation	-	-	915	-	-	-	-	-	17,820
Deferred revenue	-	-	742,167	-	-	-	-	-	1,813,540
TOTAL LIABILITIES	1,216	-	775,319	-	1,749	50,558	-	-	3,213,057
FUND BALANCE									
Designated for:									
Capital Outlay	-	-	-	-	-	-	-	-	303,961
Other	-	-	-	-	-	-	-	-	382,031
Unreserved	678	5,948	61,431	171,110	19,502	72,099	126,307	3,755,541	10,465,291
TOTAL FUND BALANCE	678	5,948	61,431	171,110	19,502	72,099	126,307	3,755,541	11,151,283
TOTAL LIABILITIES AND FUND BALANCE	\$ 1,894	\$ 5,948	\$ 836,750	\$ 171,110	\$ 21,251	\$ 122,657	\$ 126,307	\$ 3,755,541	\$ 14,364,340

COUNTY OF MARQUETTE, MICHIGAN

NONMAJOR SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

For the Fiscal Year Ended December 31, 2007

	Prosecutor's Forfeiture Account Fund	Domestic Violence Fund	Airport Stabilization Fund	Public Improvement Fund	Land Acquisition Fund	Victim Restitution Fund	Friend of the Court Fund	Sawyer Maintenance Fund	Sawyer Intermediary Relending Fund
REVENUES:									
Taxes and Penalties	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal sources	-	-	-	-	-	-	640,441	-	-
State sources	-	-	-	-	-	-	725	-	-
Charges for services	-	-	-	-	-	-	55,907	-	-
Fines and forfeits	-	-	-	-	-	-	-	-	-
Interest	-	-	185,172	14,719	9,438	-	-	1,695	36,719
Other	1,121	-	228,624	28,731	5,500	6,752	-	-	-
TOTAL REVENUES	<u>\$ 1,121</u>	<u>\$ -</u>	<u>\$ 413,796</u>	<u>\$ 43,450</u>	<u>\$ 14,938</u>	<u>\$ 6,752</u>	<u>\$ 697,073</u>	<u>\$ 1,695</u>	<u>\$ 36,719</u>
EXPENDITURES:									
Current operations:									
Legislative	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Courts	-	-	-	-	-	6,897	1,055,323	-	-
Management	-	-	3,853	-	-	-	-	-	-
Public Records	-	-	-	2,409	-	-	-	-	-
Law Enforcement	-	-	-	72,316	-	-	-	-	-
Human Services	-	-	-	25,942	-	-	-	-	-
Resource Management/Development	-	-	-	434,645	-	-	-	9,491	52,453
Other	-	-	-	8,829	-	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>3,853</u>	<u>544,141</u>	<u>-</u>	<u>6,897</u>	<u>1,055,323</u>	<u>9,491</u>	<u>52,453</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,121</u>	<u>-</u>	<u>409,943</u>	<u>(500,691)</u>	<u>14,938</u>	<u>(145)</u>	<u>(358,250)</u>	<u>(7,796)</u>	<u>(15,734)</u>
OTHER FINANCING SOURCES(USES):									
Transfers in	-	-	-	444,920	-	-	396,517	-	-
Transfers out	-	-	(683,105)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES(USES)	<u>-</u>	<u>-</u>	<u>(683,105)</u>	<u>444,920</u>	<u>-</u>	<u>-</u>	<u>396,517</u>	<u>-</u>	<u>-</u>
CHANGES IN FUND BALANCE	<u>1,121</u>	<u>-</u>	<u>(273,162)</u>	<u>(55,771)</u>	<u>14,938</u>	<u>(145)</u>	<u>38,267</u>	<u>(7,796)</u>	<u>(15,734)</u>
Fund balance, beginning of year	14,877	1,105	4,549,978	438,857	200,316	19,222	85,970	48,244	132,323
FUND BALANCE, END OF YEAR	<u>\$ 15,998</u>	<u>\$ 1,105</u>	<u>\$ 4,276,816</u>	<u>\$ 383,086</u>	<u>\$ 215,254</u>	<u>\$ 19,077</u>	<u>\$ 124,237</u>	<u>\$ 40,448</u>	<u>\$ 116,589</u>

continued....

COUNTY OF MARQUETTE, MICHIGAN

NONMAJOR SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

For the Fiscal Year Ended December 31, 2007

	Rescue Safety Fund	Law Library Fund	P.A. 511 Fund	Child Care SODA Grant Fund	Building Authority Fund	Sheriff MCTV Grant Fund	Central Dispatch Fund	Probate Child Care Fund
REVENUES:								
Taxes and Penalties	\$ 244,974	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 773,816	\$ -
Federal sources	-	-	-	-	-	-	-	-
State sources	63,196	-	77,596	-	-	142,112	128,223	863,285
Charges for services	-	6,500	-	-	-	-	-	27,768
Fines and forfeits	-	-	-	-	-	-	-	-
Interest	10,670	-	-	-	15,296	-	57,049	-
Other	5,184	-	22,998	-	-	32,758	218	-
TOTAL REVENUES	\$ 324,024	\$ 6,500	\$ 100,594	\$ -	\$ 15,296	\$ 174,870	\$ 959,306	\$ 891,053
EXPENDITURES:								
Current operations:								
Legislative	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Courts	-	51,277	-	-	-	-	-	1,864,133
Management	-	-	-	-	-	-	-	-
Public Records	-	-	-	-	-	-	-	-
Law Enforcement	263,769	-	91,856	-	-	172,396	819,801	-
Human Services	-	-	-	-	-	-	-	-
Resource Management/Development	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	263,769	51,277	91,856	-	-	172,396	819,801	1,864,133
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	60,255	(44,777)	8,738	-	15,296	2,474	139,505	(973,080)
OTHER FINANCING SOURCES(USES):								
Transfers in	-	44,800	-	-	-	-	-	1,136,220
Transfers out	-	-	-	-	(160,845)	-	-	-
TOTAL OTHER FINANCING SOURCES(USES)	-	44,800	-	-	(160,845)	-	-	1,136,220
CHANGES IN FUND BALANCE	60,255	23	8,738	-	(145,549)	2,474	139,505	163,140
Fund balance, beginning of year	99,235	4,902	189	2,751	359,052	11,952	835,068	204,322
FUND BALANCE, END OF YEAR	\$ 159,490	\$ 4,925	\$ 8,927	\$ 2,751	\$ 213,503	\$ 14,426	\$ 974,573	\$ 367,462

continued.....

COUNTY OF MARQUETTE, MICHIGAN

NONMAJOR SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For the Fiscal Year Ended December 31, 2007

	Veterans Trust Fund	Soldiers & Sailors Relief Fund	Aging Services Fund	Budget Stabilization Fund	Homestead Property Administration Fund	County Remonu- mentation Fund	Register of Deeds Automation Fund	Revenue Sharing Fund	Total
REVENUES:									
Taxes and Penalties	\$ -	\$ -	\$ 691,604	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,710,394
Federal sources	-	-	69,735	-	-	-	-	-	710,176
State sources	11,524	-	169,383	-	-	218,864	-	-	1,674,908
Charges for services	-	-	-	-	-	-	-	-	90,175
Fines and forfeits	-	-	-	-	-	-	-	-	-
Interest	-	-	15,841	-	4,371	-	5,053	130,936	486,959
Other	-	-	34,913	-	-	-	71,940	-	438,739
TOTAL REVENUES	\$ 11,524	\$ -	\$ 981,476	\$ -	\$ 4,371	\$ 218,864	\$ 76,993	\$ 130,936	\$ 5,111,351
EXPENDITURES:									
Current operations:									
Legislative	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Courts	-	-	-	-	-	-	-	-	2,977,630
Management	-	-	-	-	-	-	-	-	3,853
Public Records	-	-	-	-	-	204,438	50,589	-	257,436
Law Enforcement	-	-	-	-	-	-	-	-	1,420,138
Human Services	13,359	9,245	958,003	-	-	-	-	-	1,006,549
Resource Management/Development	-	-	-	-	-	-	-	-	496,589
Other	-	-	-	-	-	-	-	-	8,829
TOTAL EXPENDITURES	13,359	9,245	958,003	-	-	204,438	50,589	-	6,171,024
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,835)	(9,245)	23,473	-	4,371	14,426	26,404	130,936	(1,059,673)
OTHER FINANCING SOURCES(USES):									
Transfers in	-	7,500	-	-	-	-	-	-	2,029,957
Transfers out	-	-	-	-	-	-	-	(1,195,828)	(2,039,778)
TOTAL OTHER FINANCING SOURCES(USES)	-	7,500	-	-	-	-	-	(1,195,828)	(9,821)
CHANGES IN FUND BALANCE	(1,835)	(1,745)	23,473	-	4,371	14,426	26,404	(1,064,892)	(1,069,494)
Fund balance, beginning of year	2,513	7,693	37,958	171,110	15,131	57,673	99,903	4,820,433	12,220,777
FUND BALANCE, END OF YEAR	\$ 678	\$ 5,948	\$ 61,431	\$ 171,110	\$ 19,502	\$ 72,099	\$ 126,307	\$ 3,755,541	\$ 11,151,283

COUNTY OF MARQUETTE, MICHIGAN
PROSECUTOR'S FORFEITURE ACCOUNT FUND
BALANCE SHEET
December 31, 2007

ASSETS		
Cash and investments	\$	18,245
Receivables		-
Due from State		-
Due from other funds		-
Other Assets		-
		<hr/>
TOTAL ASSETS	\$	18,245
		<hr/>
LIABILITIES AND FUND BALANCE		
LIABILITIES:		
Cash Overdraft	\$	-
Accounts payable		-
Due to others		2,247
Accrued payroll and related		-
Accrued sick & vacation leave		-
Deferred revenue		-
		<hr/>
TOTAL LIABILITIES		2,247
		<hr/>
FUND BALANCE:		
Unreserved		15,998
		<hr/>
TOTAL FUND BALANCE		15,998
		<hr/>
TOTAL LIABILITIES AND FUND BALANCE	\$	18,245
		<hr/>

COUNTY OF MARQUETTE, MICHIGAN

PROSECUTOR'S FORFEITURE ACCOUNT FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL**

For the Fiscal Year Ended December 31, 2007

		2007		
		Final Amended Budget	Actual	Variance
REVENUES:				
Other		2,000	1,121	(879)
TOTAL REVENUES	\$	<u>2,000</u>	<u>1,121</u>	<u>(879)</u>
EXPENDITURES:				
Courts:				
Other services and charges		2,000	-	2,000
TOTAL EXPENDITURES		<u>2,000</u>	<u>-</u>	<u>2,000</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES		<u>-</u>	<u>1,121</u>	<u>1,121</u>
OTHER FINANCING SOURCES(USES):				
Transfers in		-	-	-
Transfers out		-	-	-
TOTAL OTHER FINANCING SOURCES(USES)		<u>-</u>	<u>-</u>	<u>-</u>
CHANGES IN FUND BALANCE		<u>-</u>	<u>1,121</u>	<u>1,121</u>
Fund balance, beginning of year		<u>14,877</u>	<u>14,877</u>	<u>-</u>
FUND BALANCE, END OF YEAR	\$	<u><u>14,877</u></u>	<u><u>15,998</u></u>	<u><u>1,121</u></u>

COUNTY OF MARQUETTE, MICHIGAN

DOMESTIC VIOLENCE FUND

BALANCE SHEET

December 31, 2007

ASSETS

Cash and investments	\$	1,105
Receivables		-
Due from State		-
Due from other funds		-
Other Assets		-

TOTAL ASSETS	\$	<u>1,105</u>
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LIABILITIES AND FUND BALANCE

LIABILITIES:

Cash Overdraft	\$	-
Accounts payable		-
Accrued payroll and related		-
Accrued sick & vacation leave		-
Deferred revenue		-

TOTAL LIABILITIES		<u>-</u>
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FUND BALANCE:

Unreserved		<u>1,105</u>
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TOTAL FUND BALANCE		<u>1,105</u>
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TOTAL LIABILITIES AND FUND BALANCE	\$	<u>1,105</u>
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COUNTY OF MARQUETTE, MICHIGAN

DOMESTIC VIOLENCE GRANT FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL**

For the Fiscal Year Ended December 31, 2007

		2007		
		Final Amended Budget	Actual	Variance
REVENUES:				
Other		-	-	-
TOTAL REVENUES	\$	-	-	-
EXPENDITURES:				
Law Enforcement:				
Other services and charges		-	-	-
TOTAL EXPENDITURES		-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES		-	-	-
OTHER FINANCING SOURCES(USES):				
Transfers in		-	-	-
Transfers out		-	-	-
TOTAL OTHER FINANCING SOURCES(USES)		-	-	-
CHANGES IN FUND BALANCE		-	-	-
Fund balance, beginning of year		1,105	1,105	-
FUND BALANCE, END OF YEAR	\$	1,105	1,105	-

COUNTY OF MARQUETTE, MICHIGAN

AIRPORT STABILIZATION FUND

BALANCE SHEET

December 31, 2007

ASSETS

Cash and investments	\$	4,110,948
Receivables		165,868
Due from State		-
Due from other funds		-
Other Assets		-

TOTAL ASSETS	\$	<u>4,276,816</u>
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LIABILITIES AND FUND BALANCE

LIABILITIES:

Cash Overdraft	\$	-
Accounts payable		-
Due to State		-
Accrued payroll and related		-
Accrued sick & vacation leave		-
Deferred revenue		-

TOTAL LIABILITIES		<u>-</u>
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FUND BALANCE:

Unreserved		<u>4,276,816</u>
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TOTAL FUND BALANCE		<u>4,276,816</u>
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TOTAL LIABILITIES AND FUND BALANCE	\$	<u><u>4,276,816</u></u>
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COUNTY OF MARQUETTE, MICHIGAN

AIRPORT STABILIZATION FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL**

For the Fiscal Year Ended December 31, 2007

		2007		
		Final Amended Budget	Actual	Variance
REVENUES:				
Taxes and Penalties		-	-	-
Interest Earned		185,000	185,172	172
Other		67,000	228,624	161,624
TOTAL REVENUES	\$	\$ 252,000	\$ 413,796	\$ 161,796
EXPENDITURES:				
Management:				
Other services and charges		2,500	2,423	77
Capital Outlay		1,430	1,430	-
TOTAL EXPENDITURES		3,930	3,853	77
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES		248,070	409,943	161,873
OTHER FINANCING SOURCES(USES):				
Transfers in		-	-	-
Transfers out		(683,105)	(683,105)	-
TOTAL OTHER FINANCING SOURCES(USES)		(683,105)	(683,105)	-
CHANGES IN FUND BALANCE		(435,035)	(273,162)	161,873
Fund balance, beginning of year		4,549,978	4,549,978	-
FUND BALANCE, END OF YEAR	\$	\$ 4,114,943	\$ 4,276,816	\$ 161,873

COUNTY OF MARQUETTE, MICHIGAN

PUBLIC IMPROVEMENT FUND

BALANCE SHEET

December 31, 2007

ASSETS

Cash and investments	\$	388,000
Receivables		-
Due from State		-
Due from other funds		-
Other Assets		-

TOTAL ASSETS	\$	<u>388,000</u>
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LIABILITIES AND FUND BALANCE

LIABILITIES:

Cash Overdraft	\$	-
Accounts payable		4,914
Due to State		-
Accrued payroll and related		-
Accrued sick & vacation leave		-
Deferred revenue		-

TOTAL LIABILITIES		<u>4,914</u>
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FUND BALANCE:

Designated for:		
Capital Outlay		303,961
Other		-
Unreserved		<u>79,125</u>

TOTAL FUND BALANCE		<u>383,086</u>
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TOTAL LIABILITIES AND FUND BALANCE	\$	<u>388,000</u>
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COUNTY OF MARQUETTE, MICHIGAN

PUBLIC IMPROVEMENT FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL**

For the Fiscal Year Ended December 31, 2007

		2007		
		Final Amended Budget	Actual	Variance
REVENUES:				
Interest Earned		12,000	14,719	2,719
Other		3,000	28,731	25,731
TOTAL REVENUES	\$	\$ 15,000	\$ 43,450	\$ 28,450
EXPENDITURES:				
Management – Capital Outlay		4,000	–	4,000
Public Records – Capital Outlay		10,861	2,409	8,452
Human Services – Capital Outlay		98,000	25,942	72,058
Law Enforcement – Capital Outlay		91,000	72,316	18,684
Resource Mgmt/Dev – Capital Outlay		596,427	434,645	161,782
Other – Capital Outlay		10,203	8,829	1,374
TOTAL EXPENDITURES		810,491	544,141	266,350
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES		(795,491)	(500,691)	294,800
OTHER FINANCING SOURCES(USES):				
Transfers in		370,595	444,920	74,325
Transfers out		–	–	–
TOTAL OTHER FINANCING SOURCES(USES)		370,595	444,920	74,325
CHANGES IN FUND BALANCE		(424,896)	(55,771)	369,125
Fund balance, beginning of year		438,857	438,857	–
FUND BALANCE, END OF YEAR	\$	\$ 13,961	\$ 383,086	\$ 369,125

COUNTY OF MARQUETTE, MICHIGAN

LAND ACQUISITION FUND

BALANCE SHEET

December 31, 2007

ASSETS

Cash and investments	\$	215,254
Receivables		-
Due from State		-
Due from other funds		-
Other Assets		-

TOTAL ASSETS	\$	<u>215,254</u>
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LIABILITIES AND FUND BALANCE

LIABILITIES:

Cash Overdraft	\$	-
Accounts payable		-
Due to State		-
Accrued payroll and related		-
Accrued sick & vacation leave		-
Deferred revenue		-

TOTAL LIABILITIES		<u>-</u>
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FUND BALANCE:

Designated for:		
Capital Outlay		-
Other		-
Unreserved		215,254

TOTAL FUND BALANCE		<u>215,254</u>
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TOTAL LIABILITIES AND FUND BALANCE	\$	<u>215,254</u>
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COUNTY OF MARQUETTE, MICHIGAN

LAND ACQUISITION FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL**

For the Fiscal Year Ended December 31, 2007

		2007		
		Final Amended Budget	Actual	Variance
REVENUES:				
Interest Earned		6,000	9,438	3,438
Other		5,500	5,500	-
TOTAL REVENUES	\$	\$ 11,500	\$ 14,938	\$ 3,438
EXPENDITURES:				
Community Development:				
Other services and charges		11,500	-	11,500
TOTAL EXPENDITURES		11,500	-	11,500
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES		-	14,938	14,938
OTHER FINANCING SOURCES(USES):				
Transfers in		-	-	-
Transfers out		-	-	-
TOTAL OTHER FINANCING SOURCES(USES)		-	-	-
CHANGES IN FUND BALANCE		-	14,938	14,938
Fund balance, beginning of year		200,316	200,316	-
FUND BALANCE, END OF YEAR	\$	\$ 200,316	\$ 215,254	\$ 14,938

COUNTY OF MARQUETTE, MICHIGAN

VICTIM RESTITUTION FUND

BALANCE SHEET

December 31, 2007

ASSETS

Cash and investments	\$	19,123
Receivables		-
Due from State		-
Due from other funds		-
Other Assets		-

TOTAL ASSETS	\$	19,123
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LIABILITIES AND FUND BALANCE

LIABILITIES:

Cash Overdraft	\$	-
Accounts payable		46
Due to State		-
Accrued payroll and related		-
Accrued sick & vacation leave		-
Deferred revenue		-

TOTAL LIABILITIES		46
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FUND BALANCE:

Designated for:		
Capital Outlay		-
Other		4,266
Unreserved		14,811

TOTAL FUND BALANCE		19,077
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TOTAL LIABILITIES AND FUND BALANCE	\$	19,123
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COUNTY OF MARQUETTE, MICHIGAN

VICTIM RESTITUTION FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL**

For the Fiscal Year Ended December 31, 2007

		2007		
		Final Amended Budget	Actual	Variance
REVENUES:				
Interest Earned		-	-	-
Other		12,000	6,752	(5,248)
TOTAL REVENUES	\$	\$ 12,000	\$ 6,752	\$ (5,248)
EXPENDITURES:				
Courts:				
Other services and charges		12,000	4,391	7,609
Capital outlay		3,000	2,506	494
TOTAL EXPENDITURES		15,000	6,897	8,103
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES		(3,000)	(145)	2,855
OTHER FINANCING SOURCES(USES):				
Transfers in		-	-	-
Transfers out		-	-	-
TOTAL OTHER FINANCING SOURCES(USES)		-	-	-
CHANGES IN FUND BALANCE		(3,000)	(145)	2,855
Fund balance, beginning of year		19,222	19,222	-
FUND BALANCE, END OF YEAR	\$	\$ 16,222	\$ 19,077	\$ 2,855

COUNTY OF MARQUETTE, MICHIGAN

FRIEND OF THE COURT FUND

BALANCE SHEET

December 31, 2007

ASSETS:

Cash and investments	\$	-
Receivables		-
Due from State		142,513
Due from other funds		-
Other Assets		-

TOTAL ASSETS	\$	<u>142,513</u>
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LIABILITIES AND FUND BALANCE

LIABILITIES:

Cash Overdraft	\$	4,325
Accounts payable		7,487
Accrued payroll and related		-
Accrued sick & vacation leave		6,464
Deferred revenue		-

TOTAL LIABILITIES		<u>18,276</u>
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FUND BALANCE:

Unrestricted		<u>124,237</u>
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TOTAL FUND BALANCE		<u>124,237</u>
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TOTAL LIABILITIES AND FUND BALANCE	\$	<u><u>142,513</u></u>
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COUNTY OF MARQUETTE, MICHIGAN

FRIEND OF THE COURT FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL**

For the Fiscal Year Ended December 31, 2007

		2007		
		Final Amended Budget	Actual	Variance
REVENUES:				
Federal sources		657,255	640,441	(16,814)
State sources		-	725	725
Charges for services		48,529	55,907	7,378
TOTAL REVENUES	\$	\$ 705,784	\$ 697,073	\$ (8,711)
EXPENDITURES:				
Courts:				
Personnel services		812,700	773,205	39,495
Supplies		26,845	25,142	1,703
Other services and charges		262,756	256,976	5,780
Capital outlay		-	-	-
TOTAL EXPENDITURES		1,102,301	1,055,323	46,978
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES		(396,517)	(358,250)	38,267
OTHER FINANCING SOURCES(USES):				
Transfers in		396,517	396,517	-
Transfers out		-	-	-
TOTAL OTHER FINANCING SOURCES(USES)		396,517	396,517	-
CHANGES IN FUND BALANCE		-	38,267	38,267
Fund balance, beginning of year		85,970	85,970	-
FUND BALANCE, END OF YEAR	\$	\$ 85,970	\$ 124,237	\$ 38,267

COUNTY OF MARQUETTE, MICHIGAN

SAWYER MAINTENANCE FUND

BALANCE SHEET

December 31, 2007

ASSETS

Cash and investments	\$	57,900
Receivables		454,062
Due from State		-
Due from other funds		-
Other Assets		-

TOTAL ASSETS	\$	<u>511,962</u>
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LIABILITIES AND FUND BALANCE

LIABILITIES:

Cash Overdraft	\$	-
Accounts payable		4,850
Due to State		-
Due to others		466,664
Accrued payroll and related		-
Accrued sick & vacation leave		-
Deferred revenue		-

TOTAL LIABILITIES		<u>471,514</u>
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FUND BALANCE:

Designated for:		
Capital Outlay		-
Other		-
Unreserved		40,448

TOTAL FUND BALANCE		<u>40,448</u>
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TOTAL LIABILITIES AND FUND BALANCE	\$	<u>511,962</u>
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COUNTY OF MARQUETTE, MICHIGAN

SAWYER MAINTENANCE FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL**

For the Fiscal Year Ended December 31, 2007

		2007		
		Final Amended Budget	Actual	Variance
REVENUES:				
Federal sources		-	-	-
Charges for services		-	-	-
Interest earned		-	1,695	1,695
Other		-	-	-
TOTAL REVENUES	\$	\$ -	\$ 1,695	\$ 1,695
EXPENDITURES:				
Community Development:				
Personnel services		2,380	2,087	293
Supplies		900	873	27
Other services and charges		6,720	6,531	189
Capital outlay		-	-	-
TOTAL EXPENDITURES		10,000	9,491	509
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES		(10,000)	(7,796)	2,204
OTHER FINANCING SOURCES(USES):				
Transfers in		-	-	-
Transfers out		-	-	-
TOTAL OTHER FINANCING SOURCES(USES)		-	-	-
CHANGES IN FUND BALANCE		(10,000)	(7,796)	2,204
Fund balance, beginning of year		48,244	48,244	-
FUND BALANCE, END OF YEAR	\$	\$ 38,244	\$ 40,448	\$ 2,204

COUNTY OF MARQUETTE, MICHIGAN
SAWYER INTERMEDIARY RELENDING FUND
BALANCE SHEET
December 31, 2007

ASSETS	
Cash and Investments	\$ 547,884
Receivables	-
Due from State	-
Due from other funds	-
Loans Receivable	292,523
Other Assets	-
	<hr/>
TOTAL ASSETS	\$ 840,407
LIABILITIES AND FUND BALANCE	
LIABILITIES:	
Cash Overdraft	\$ -
Account payable	-
Due to State	-
Due to others	723,818
Due to other funds	-
Accrued payroll and related	-
Accrued sick & vacation leave	-
Deferred revenue	-
	<hr/>
TOTAL LIABILITIES	723,818
FUND BALANCE:	
Designated for:	
Capital Outlay	-
Other	-
Unreserved	116,589
	<hr/>
TOTAL FUND BALANCE	116,589
	<hr/>
TOTAL LIABILITIES AND FUND BALANCE	\$ 840,407

COUNTY OF MARQUETTE, MICHIGAN

SAWYER INTERMEDIARY RELENDING FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL**

For the Fiscal Year Ended December 31, 2007

		2007		
		Final Amended Budget	Actual	Variance
REVENUES:				
Charges for services		-	-	-
Interest earned		49,000	36,719	(12,281)
Other		-	-	-
TOTAL REVENUES	\$	<u>49,000</u>	\$ <u>36,719</u>	\$ <u>(12,281)</u>
EXPENDITURES:				
Community Development:				
Other services and charges		51,000	45,146	5,854
Interest paid		41,130	7,307	33,823
TOTAL EXPENDITURES		<u>92,130</u>	<u>52,453</u>	<u>39,677</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES		<u>(43,130)</u>	<u>(15,734)</u>	<u>27,396</u>
OTHER FINANCING SOURCES(USES):				
Transfers in		-	-	-
Transfers out		-	-	-
TOTAL OTHER FINANCING SOURCES(USES)		<u>-</u>	<u>-</u>	<u>-</u>
CHANGES IN FUND BALANCE		<u>(43,130)</u>	<u>(15,734)</u>	<u>27,396</u>
Fund balance, beginning of year		<u>132,323</u>	<u>132,323</u>	<u>-</u>
FUND BALANCE, END OF YEAR	\$	<u><u>89,193</u></u>	\$ <u><u>116,589</u></u>	\$ <u><u>27,396</u></u>

COUNTY OF MARQUETTE, MICHIGAN

RESCUE SAFETY FUND

BALANCE SHEET

December 31, 2007

ASSETS

Cash and investments	\$	185,865
Receivables		235,403
Due from State		-
Due from other funds		-
Loans Receivable		-
Other Assets		-

TOTAL ASSETS	\$	421,268
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LIABILITIES AND FUND BALANCE

LIABILITIES:

Cash Overdraft	\$	-
Accounts payable		2,876
Due to State		-
Due to other funds		-
Accrued payroll and related		5,485
Accrued sick & vacation leave		2,010
Deferred revenue		251,407

TOTAL LIABILITIES		261,778
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FUND BALANCE:

Designated for:		
Capital Outlay		-
Other		19,701
Unreserved		139,789

TOTAL FUND BALANCE		159,490
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TOTAL LIABILITIES AND FUND BALANCE	\$	421,268
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COUNTY OF MARQUETTE, MICHIGAN

RESCUE SAFETY FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL**

For the Fiscal Year Ended December 31, 2007

		2007		
		Final Amended Budget	Actual	Variance
REVENUES:				
Taxes and Penalties		236,779	244,974	8,195
Federal sources		-	-	-
State sources		61,000	63,196	2,196
Interest earned		10,000	10,670	670
Other		5,000	5,184	184
TOTAL REVENUES	\$	\$ 312,779	\$ 324,024	\$ 11,245
EXPENDITURES:				
Law Enforcement:				
Personnel services		192,149	167,292	24,857
Supplies		34,919	29,027	5,892
Other services and charges		55,819	33,011	22,808
Capital Outlay		42,525	34,439	8,086
TOTAL EXPENDITURES		\$ 325,412	\$ 263,769	\$ 61,643
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES		(12,633)	60,255	72,888
OTHER FINANCING SOURCES(USES):				
Transfers in		-	-	-
Transfers out		-	-	-
TOTAL OTHER FINANCING SOURCES(USES)		-	-	-
CHANGES IN FUND BALANCE		(12,633)	60,255	72,888
Fund balance, beginning of year		99,235	99,235	-
FUND BALANCE, END OF YEAR	\$	\$ 86,602	\$ 159,490	\$ 72,888

COUNTY OF MARQUETTE, MICHIGAN

LAW LIBRARY FUND

BALANCE SHEET

December 31, 2007

ASSETS

Cash and investments	\$	8,285
Receivables		-
Due from State		-
Due from other funds		-
Loans Receivable		-
Other Assets		-

TOTAL ASSETS	\$	8,285
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LIABILITIES AND FUND BALANCE

LIABILITIES:

Cash Overdraft	\$	-
Accounts payable		3,360
Due to State		-
Due to other funds		-
Accrued payroll and related		-
Accrued sick & vacation leave		-
Deferred revenue		-

TOTAL LIABILITIES		3,360
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FUND BALANCE:

Designated for:		
Capital Outlay		-
Other		-
Unreserved		4,925

TOTAL FUND BALANCE		4,925
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TOTAL LIABILITIES AND FUND BALANCE	\$	8,285
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COUNTY OF MARQUETTE, MICHIGAN

LAW LIBRARY FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL**

For the Fiscal Year Ended December 31, 2007

		2007		
		Final Amended Budget	Actual	Variance
REVENUES:				
Charges for services		6,500	6,500	-
Interest earned		-	-	-
Other		-	-	-
TOTAL REVENUES	\$	\$ 6,500	\$ 6,500	\$ -
EXPENDITURES:				
Courts:				
Supplies		50,600	50,690	(90)
Other services and charges		700	587	113
Capital Outlay		-	-	-
TOTAL EXPENDITURES		\$ 51,300	\$ 51,277	\$ 23
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES		(44,800)	(44,777)	23
OTHER FINANCING SOURCES(USES):				
Transfers in		44,800	44,800	-
Transfers out		-	-	-
TOTAL OTHER FINANCING SOURCES(USES)		44,800	44,800	-
CHANGES IN FUND BALANCE		-	23	23
Fund balance, beginning of year		4,902	4,902	-
FUND BALANCE, END OF YEAR	\$	\$ 4,902	\$ 4,925	\$ 23

COUNTY OF MARQUETTE, MICHIGAN

P.A. 511 FUND

BALANCE SHEET

December 31, 2007

ASSETS

Cash and investments	\$	-
Receivables		-
Due from State		13,218
Due from other funds		-
Loans Receivable		-
Other Assets		-

TOTAL ASSETS	\$	13,218
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LIABILITIES AND FUND BALANCE

LIABILITIES:

Cash Overdraft	\$	3,895
Accounts payable		396
Due to State		-
Due to other funds		-
Accrued payroll and related		-
Accrued sick & vacation leave		-
Deferred revenue		-

TOTAL LIABILITIES		4,291
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FUND BALANCE:

Designated for:		
Capital Outlay		-
Other		-
Unreserved		8,927

TOTAL FUND BALANCE		8,927
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TOTAL LIABILITIES AND FUND BALANCE	\$	13,218
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COUNTY OF MARQUETTE, MICHIGAN

P.A. 511 FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL**

For the Fiscal Year Ended December 31, 2007

		2007		
		Final Amended Budget	Actual	Variance
REVENUES:				
State sources		81,040	77,596	(3,444)
Interest earned		-	-	-
Other		15,950	22,998	7,048
TOTAL REVENUES	\$	\$ 96,990	\$ 100,594	\$ 3,604
EXPENDITURES:				
Law Enforcement:				
Personnel		66,240	66,258	(18)
Supplies		6,050	7,758	(1,708)
Other services and charges		24,250	17,338	6,912
Capital Outlay		450	502	(52)
TOTAL EXPENDITURES		96,990	91,856	5,134
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES		-	8,738	8,738
OTHER FINANCING SOURCES(USES):				
Transfers in		-	-	-
Transfers out		-	-	-
TOTAL OTHER FINANCING SOURCES(USES)		-	-	-
CHANGES IN FUND BALANCE		-	8,738	8,738
Fund balance, beginning of year		189	189	-
FUND BALANCE, END OF YEAR	\$	\$ 189	\$ 8,927	\$ 8,738

COUNTY OF MARQUETTE, MICHIGAN

CHILD CARE SODA GRANT FUND

BALANCE SHEET

December 31, 2007

ASSETS

Cash and investments	\$	2,751
Receivables		-
Due from State		-
Due from other funds		-
Loans Receivable		-
Other Assets		-

TOTAL ASSETS	\$	2,751
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LIABILITIES AND FUND BALANCE

LIABILITIES:

Cash Overdraft	\$	-
Accounts payable		-
Due to State		-
Due to other funds		-
Accrued payroll and related		-
Accrued sick & vacation leave		-
Deferred revenue		-

TOTAL LIABILITIES		-
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FUND BALANCE:

Designated for:		
Capital Outlay		-
Other		-
Unreserved		2,751

TOTAL FUND BALANCE		2,751
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TOTAL LIABILITIES AND FUND BALANCE	\$	2,751
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COUNTY OF MARQUETTE, MICHIGAN

CHILD CARE SODA GRANT FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL**

For the Fiscal Year Ended December 31, 2007

		2007		
		Final Amended Budget	Actual	Variance
REVENUES:				
State sources		-	-	-
Interest earned		-	-	-
Other		-	-	-
TOTAL REVENUES	\$	-	\$ -	\$ -
EXPENDITURES:				
Courts:				
Personnel		-	-	-
Supplies		-	-	-
Other services and charges		-	-	-
Capital Outlay		-	-	-
TOTAL EXPENDITURES		-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES		-	-	-
OTHER FINANCING SOURCES(USES):				
Transfers in		-	-	-
Transfers out		-	-	-
TOTAL OTHER FINANCING SOURCES(USES)		-	-	-
CHANGES IN FUND BALANCE		-	-	-
Fund balance, beginning of year		2,751	2,751	-
FUND BALANCE, END OF YEAR	\$	2,751	\$ 2,751	\$ -

COUNTY OF MARQUETTE, MICHIGAN

BUILDING AUTHORITY FUND

BALANCE SHEET

December 31, 2007

ASSETS

Cash and investments	\$	213,503
Receivables		-
Due from State		-
Due from other funds		-
Loans Receivable		-
Assets		-

TOTAL ASSETS	\$	213,503
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LIABILITIES AND FUND BALANCE

LIABILITIES:

Cash Overdraft	\$	-
Accounts payable		-
Due to State		-
Due to other funds		-
Accrued payroll and related		-
Accrued sick & vacation leave		-
Deferred revenue		-

TOTAL LIABILITIES		-
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FUND BALANCE:

Designated for:		
Capital Outlay		-
Other		-
Unreserved		213,503

TOTAL FUND BALANCE		213,503
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TOTAL LIABILITIES AND FUND BALANCE	\$	213,503
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COUNTY OF MARQUETTE, MICHIGAN

BUILDING AUTHORITY FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL**

For the Fiscal Year Ended December 31, 2007

		2007		
		Final Amended Budget	Actual	Variance
REVENUES:				
Charges for services		-	-	-
Interest earned		-	15,296	15,296
Other		-	-	-
TOTAL REVENUES	\$	\$ -	\$ 15,296	\$ 15,296
EXPENDITURES:				
Community Development:				
Personnel		-	-	-
Supplies		-	-	-
Other services and charges		-	-	-
Capital Outlay		-	-	-
TOTAL EXPENDITURES		-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES		-	15,296	15,296
OTHER FINANCING SOURCES(USES):				
Transfers in		-	-	-
Transfers out		(160,845)	(160,845)	-
TOTAL OTHER FINANCING SOURCES(USES)		(160,845)	(160,845)	-
CHANGES IN FUND BALANCE		(160,845)	(145,549)	15,296
Fund balance, beginning of year		359,052	359,052	-
FUND BALANCE, END OF YEAR	\$	\$ 198,207	\$ 213,503	\$ 15,296

COUNTY OF MARQUETTE, MICHIGAN

SHERIFF MCTV GRANT FUND

BALANCE SHEET

December 31, 2007

ASSETS

Cash and investments	\$	323
Receivables		27,698
Due from State		-
Due from other funds		-
Loans Receivable		-
Other Assets		-

TOTAL ASSETS	\$	28,021
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LIABILITIES AND FUND BALANCE

LIABILITIES:

Cash Overdraft	\$	-
Accounts payable		5,296
Due to State		-
Due to other funds		7,449
Accrued payroll and related		-
Accrued sick & vacation leave		850
Deferred revenue		-

TOTAL LIABILITIES		13,595
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FUND BALANCE:

Designated for:		
Capital Outlay		-
Other		-
Unreserved		14,426

TOTAL FUND BALANCE		14,426
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TOTAL LIABILITIES AND FUND BALANCE	\$	28,021
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COUNTY OF MARQUETTE, MICHIGAN

SHERIFF MCTV GRANT FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL**

For the Fiscal Year Ended December 31, 2007

		2007		
		Final Amended Budget	Actual	Variance
REVENUES:				
State Sources		146,869	142,112	(4,757)
Interest earned		-	-	-
Other		32,200	32,758	558
TOTAL REVENUES	\$	\$ 179,069	\$ 174,870	\$ (4,199)
EXPENDITURES:				
Law Enforcement:				
Personnel		108,523	100,172	8,351
Supplies		22,035	21,681	354
Other services and charges		48,511	50,543	(2,032)
Capital Outlay		-	-	-
TOTAL EXPENDITURES		\$ 179,069	\$ 172,396	\$ 6,673
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES		-	2,474	2,474
OTHER FINANCING SOURCES(USES):				
Transfers in		-	-	-
Transfers out		-	-	-
TOTAL OTHER FINANCING SOURCES(USES)		-	-	-
CHANGES IN FUND BALANCE		-	2,474	2,474
Fund balance, beginning of year		11,952	11,952	-
FUND BALANCE, END OF YEAR	\$	\$ 11,952	\$ 14,426	\$ 2,474

COUNTY OF MARQUETTE, MICHIGAN

CENTRAL DISPATCH FUND

BALANCE SHEET

December 31, 2007

ASSETS

Cash and investments	\$	1,064,956
Receivables		767,743
Due from State		-
Due from other funds		-
Loans Receivable		-
Other Assets		-

TOTAL ASSETS	\$	<u>1,832,699</u>
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LIABILITIES AND FUND BALANCE

LIABILITIES:

Cash Overdraft	\$	-
Accounts payable		1,186
Due to State		-
Due to other funds		-
Accrued payroll and related		35,640
Accrued sick & vacation leave		1,334
Deferred revenue		<u>819,966</u>

TOTAL LIABILITIES		<u>858,126</u>
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FUND BALANCE:

Designated for:		
Capital Outlay		-
Other		377,765
Unreserved		<u>596,808</u>

TOTAL FUND BALANCE		<u>974,573</u>
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TOTAL LIABILITIES AND FUND BALANCE	\$	<u>1,832,699</u>
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COUNTY OF MARQUETTE, MICHIGAN

CENTRAL DISPATCH FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL**

For the Fiscal Year Ended December 31, 2007

		2007		
		Final Amended Budget	Actual	Variance
REVENUES:				
Taxes and Penalties		772,000	773,816	1,816
Federal Sources		-	-	-
State Sources		135,000	128,223	(6,777)
Interest Earned		50,000	57,049	
Other		-	218	218
TOTAL REVENUES	\$	\$ 957,000	\$ 959,306	\$ (4,743)
EXPENDITURES:				
Law Enforcement:				
Personnel		668,390	665,587	2,803
Supplies		10,200	4,840	5,360
Other services and charges		164,124	149,374	14,750
Capital Outlay		130,000	-	130,000
TOTAL EXPENDITURES		\$ 972,714	\$ 819,801	\$ 152,913
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES		(15,714)	139,505	148,170
OTHER FINANCING SOURCES(USES):				
Transfers in		-	-	-
Transfers out		-	-	-
TOTAL OTHER FINANCING SOURCES(USES)		-	-	-
CHANGES IN FUND BALANCE		(15,714)	139,505	155,219
Fund balance, beginning of year		835,068	835,068	-
FUND BALANCE, END OF YEAR	\$	\$ 819,354	\$ 974,573	\$ 155,219

COUNTY OF MARQUETTE, MICHIGAN

PROBATE CHILD CARE FUND

BALANCE SHEET

December 31, 2007

ASSETS

Cash and investments	\$	151,310
Receivables		61,406
Due from State		176,996
Due from other funds		-
Loans Receivable		-
Other Assets		-

TOTAL ASSETS	\$	389,712
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LIABILITIES AND FUND BALANCE

LIABILITIES:

Cash Overdraft	\$	-
Accounts payable		16,003
Due to State		-
Due to other funds		-
Accrued payroll and related		-
Accrued sick & vacation leave		6,247
Deferred revenue		-

TOTAL LIABILITIES		22,250
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FUND BALANCE:

Designated for:		
Capital Outlay		-
Other		-
Unreserved		367,462

TOTAL FUND BALANCE		367,462
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TOTAL LIABILITIES AND FUND BALANCE	\$	389,712
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COUNTY OF MARQUETTE, MICHIGAN

PROBATE CHILD CARE FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL**

For the Fiscal Year Ended December 31, 2007

		2007		
		Final Amended Budget	Actual	Variance
REVENUES:				
State Sources		1,087,929	863,285	(224,644)
Charges for services		27,000	27,768	768
Other		-	-	-
TOTAL REVENUES	\$	<u>1,114,929</u>	\$ <u>891,053</u>	\$ <u>(223,876)</u>
EXPENDITURES:				
Courts:				
Personnel		1,177,123	998,716	178,407
Supplies		10,040	6,312	3,728
Other services and charges		1,113,986	859,105	254,881
Capital Outlay		-	-	-
TOTAL EXPENDITURES		<u>2,301,149</u>	<u>1,864,133</u>	<u>437,016</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES		<u>(1,186,220)</u>	<u>(973,080)</u>	<u>213,140</u>
OTHER FINANCING SOURCES(USES):				
Transfers in		1,136,220	1,136,220	-
Transfers out		-	-	-
TOTAL OTHER FINANCING SOURCES(USES)		<u>1,136,220</u>	<u>1,136,220</u>	<u>-</u>
CHANGES IN FUND BALANCE		<u>(50,000)</u>	<u>163,140</u>	<u>213,140</u>
Fund balance, beginning of year		<u>204,322</u>	<u>204,322</u>	<u>-</u>
FUND BALANCE, END OF YEAR	\$	<u>154,322</u>	\$ <u>367,462</u>	\$ <u>213,140</u>

COUNTY OF MARQUETTE, MICHIGAN

VETERANS TRUST FUND

BALANCE SHEET

December 31, 2007

ASSETS

Cash and investments	\$	1,894
Receivables		-
Due from State		-
Due from other funds		-
Loans Receivable		-
Other Assets		-

TOTAL ASSETS	\$	<u>1,894</u>
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LIABILITIES AND FUND BALANCE

LIABILITIES:

Cash Overdraft	\$	-
Accounts payable		1,216
Due to State		-
Due to other funds		-
Accrued payroll and related		-
Accrued sick & vacation leave		-
Deferred revenue		-

TOTAL LIABILITIES		<u>1,216</u>
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FUND BALANCE:

Designated for:		
Capital Outlay		-
Other		-
Unreserved		678

TOTAL FUND BALANCE		<u>678</u>
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TOTAL LIABILITIES AND FUND BALANCE	\$	<u><u>1,894</u></u>
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COUNTY OF MARQUETTE, MICHIGAN

VETERANS TRUST FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL**

For the Fiscal Year Ended December 31, 2007

		2007		
		Final Amended Budget	Actual	Variance
REVENUES:				
Taxes and Penalties		-	-	-
Federal Sources		-	-	-
State Sources		18,900	11,524	(7,376)
Interest		-	-	-
TOTAL REVENUES	\$	\$ 18,900	\$ 11,524	\$ (7,376)
EXPENDITURES:				
Human Services:				
Personnel		2,400	2,400	-
Supplies		500	65	435
Other services and charges		16,000	10,894	5,106
Capital Outlay		-	-	-
TOTAL EXPENDITURES		18,900	13,359	5,541
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES		-	(1,835)	(1,835)
OTHER FINANCING SOURCES(USES):				
Transfers in		-	-	-
Transfers out		-	-	-
TOTAL OTHER FINANCING SOURCES(USES)		-	-	-
CHANGES IN FUND BALANCE		-	(1,835)	(1,835)
Fund balance, beginning of year		2,513	2,513	-
FUND BALANCE, END OF YEAR	\$	\$ 2,513	\$ 678	\$ (1,835)

COUNTY OF MARQUETTE, MICHIGAN

SOLDIERS & SAILORS RELIEF FUND

BALANCE SHEET

December 31, 2007

ASSETS

Cash and investments	\$	5,948
Receivables		-
Due from State		-
Due from other funds		-
Loans Receivable		-
Other Assets		-

TOTAL ASSETS	\$	5,948
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LIABILITIES AND FUND BALANCE

LIABILITIES:

Cash Overdraft	\$	-
Accounts payable		-
Due to State		-
Due to other funds		-
Accrued payroll and related		-
Accrued sick & vacation leave		-
Deferred revenue		-

TOTAL LIABILITIES		-
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FUND BALANCE:

Designated for:		
Capital Outlay		-
Other		-
Unreserved		5,948

TOTAL FUND BALANCE		5,948
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TOTAL LIABILITIES AND FUND BALANCE	\$	5,948
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COUNTY OF MARQUETTE, MICHIGAN

SOLDIERS & SAILORS RELIEF FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL**

For the Fiscal Year Ended December 31, 2007

		2007		
		Final Amended Budget	Actual	Variance
REVENUES:				
Taxes and Penalties		-	-	-
Federal Sources		-	-	-
State Sources		-	-	-
Interest		-	-	-
TOTAL REVENUES	\$	\$ -	\$ -	\$ -
EXPENDITURES:				
Human Services:				
Personnel		-	-	-
Supplies		-	-	-
Other services and charges		9,500	9,245	255
Capital Outlay		-	-	-
TOTAL EXPENDITURES		<u>9,500</u>	<u>9,245</u>	<u>255</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES		<u>(9,500)</u>	<u>(9,245)</u>	<u>255</u>
OTHER FINANCING SOURCES(USES):				
Transfers in		7,500	7,500	-
Transfers out		-	-	-
TOTAL OTHER FINANCING SOURCES(USES)		<u>7,500</u>	<u>7,500</u>	<u>-</u>
CHANGES IN FUND BALANCE		<u>(2,000)</u>	<u>(1,745)</u>	<u>255</u>
Fund balance, beginning of year		<u>7,693</u>	<u>7,693</u>	<u>-</u>
FUND BALANCE, END OF YEAR	\$	<u>\$ 5,693</u>	\$ <u>5,948</u>	\$ <u>255</u>

COUNTY OF MARQUETTE, MICHIGAN

AGING SERVICES FUND

BALANCE SHEET

December 31, 2007

ASSETS

Cash and investments	\$	115,268
Receivables		721,482
Due from State		-
Due from other funds		-
Loans Receivable		-
Other Assets		-

TOTAL ASSETS	\$	836,750
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LIABILITIES AND FUND BALANCE

LIABILITIES:

Accounts payable	\$	-
Due to State		-
Due to other funds		-
Accrued payroll and related		8,583
Accrued sick & vacation leave		915
Other current liabilities		23,654
Deferred revenue		742,167

TOTAL LIABILITIES		775,319
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FUND BALANCE:

Designated for:		
Capital Outlay		-
Other		-
Unreserved		61,431

TOTAL FUND BALANCE		61,431
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TOTAL LIABILITIES AND FUND BALANCE	\$	836,750
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COUNTY OF MARQUETTE, MICHIGAN

AGING SERVICES FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL**

For the Fiscal Year Ended December 31, 2007

		2007		
		Final Amended Budget	Actual	Variance
REVENUES:				
Taxes and Penalties		708,000	691,604	(16,396)
Federal Sources		77,643	69,735	(7,908)
State Sources		187,098	169,383	(17,715)
Interest		10,000	15,841	5,841
Other		77,454	34,913	(42,541)
TOTAL REVENUES	\$	\$ 1,060,195	\$ 981,476	\$ (78,719)
EXPENDITURES:				
Human Services:				
Personnel		277,302	273,477	3,825
Supplies		10,580	5,999	4,581
Other services and charges		746,323	678,527	67,796
Capital Outlay		-	-	-
TOTAL EXPENDITURES		1,034,205	958,003	76,202
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES		25,990	23,473	(2,517)
OTHER FINANCING SOURCES(USES):				
Transfers in		-	-	-
Transfers out		-	-	-
TOTAL OTHER FINANCING SOURCES(USES)		-	-	-
CHANGES IN FUND BALANCE		25,990	23,473	(2,517)
Fund balance, beginning of year		37,958	37,958	-
FUND BALANCE, END OF YEAR	\$	\$ 63,948	\$ 61,431	\$ (2,517)

COUNTY OF MARQUETTE, MICHIGAN

BUDGET STABILIZATION FUND

BALANCE SHEET

December 31, 2007

ASSETS

Cash and investments	\$	171,110
Receivables		-
Due from State		-
Due from other funds		-
Loans Receivable		-
Other Assets		-

TOTAL ASSETS	\$	171,110
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LIABILITIES AND FUND BALANCE

LIABILITIES:

Cash Overdraft	\$	-
Accounts payable		-
Due to State		-
Due to other funds		-
Accrued payroll and related		-
Accrued sick & vacation leave		-
Deferred revenue		-

TOTAL LIABILITIES		-
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FUND BALANCE:

Designated for:		
Capital Outlay		-
Other		-
Unreserved		171,110

TOTAL FUND BALANCE		171,110
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TOTAL LIABILITIES AND FUND BALANCE	\$	171,110
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COUNTY OF MARQUETTE, MICHIGAN

BUDGET STABILIZATION FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL**

For the Fiscal Year Ended December 31, 2007

		2007		
		Final Amended Budget	Actual	Variance
REVENUES:				
Taxes and Penalties		-	-	-
Federal Sources		-	-	-
State Sources		-	-	-
Interest		-	-	-
Other		-	-	-
TOTAL REVENUES	\$	\$ -	\$ -	\$ -
EXPENDITURES:				
Management:				
Personnel		-	-	-
Supplies		-	-	-
Other services and charges		-	-	-
Capital Outlay		-	-	-
TOTAL EXPENDITURES		-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES		-	-	-
OTHER FINANCING SOURCES(USES):				
Transfers in		-	-	-
Transfers out		-	-	-
TOTAL OTHER FINANCING SOURCES(USES)		-	-	-
CHANGES IN FUND BALANCE		-	-	-
Fund balance, beginning of year		171,110	171,110	-
FUND BALANCE, END OF YEAR	\$	\$ 171,110	\$ 171,110	\$ -

COUNTY OF MARQUETTE, MICHIGAN

HOMESTEAD PROPERTY ADMINISTRATION FUND

BALANCE SHEET

December 31, 2007

ASSETS

Cash and investments	\$	21,251
Receivables		-
Due from State		-
Due from other funds		-
Loans Receivable		-
Other Assets		-

TOTAL ASSETS	\$	<u>21,251</u>
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LIABILITIES AND FUND BALANCE

LIABILITIES:

Cash Overdraft	\$	-
Accounts payable		1,731
Due to State		-
Due to others		18
Due to other funds		-
Accrued payroll and related		-
Accrued sick & vacation leave		-
Deferred revenue		-

TOTAL LIABILITIES		<u>1,749</u>
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FUND BALANCE:

Designated for:		
Capital Outlay		-
Other		-
Unreserved		19,502

TOTAL FUND BALANCE		<u>19,502</u>
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TOTAL LIABILITIES AND FUND BALANCE	\$	<u>21,251</u>
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COUNTY OF MARQUETTE, MICHIGAN

HOMESTEAD PROPERTY ADMINISTRATION FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL**

For the Fiscal Year Ended December 31, 2007

		2007		
		Final Amended Budget	Actual	Variance
REVENUES:				
Taxes and Penalties		-	-	-
Federal Sources		-	-	-
State Sources		-	-	-
Interest		4,950	4,371	(579)
Other		50	-	(50)
TOTAL REVENUES	\$	\$ 5,000	\$ 4,371	\$ (629)
EXPENDITURES:				
Public Records:				
Personnel		-	-	-
Supplies		500	-	500
Other services and charges		4,500	-	4,500
Capital Outlay		-	-	-
TOTAL EXPENDITURES		\$ 5,000	\$ -	\$ 5,000
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES		-	4,371	4,371
OTHER FINANCING SOURCES(USES):				
Transfers in		-	-	-
Transfers out		-	-	-
TOTAL OTHER FINANCING SOURCES(USES)		-	-	-
CHANGES IN FUND BALANCE		-	4,371	4,371
Fund balance, beginning of year		15,131	15,131	-
FUND BALANCE, END OF YEAR	\$	\$ 15,131	\$ 19,502	\$ 4,371

COUNTY OF MARQUETTE, MICHIGAN

COUNTY REMONUMENTATION FUND

BALANCE SHEET

December 31, 2007

ASSETS

Cash and investments	\$	-
Receivables		122,657
Due from State		-
Due from other funds		-
Other Assets		-

TOTAL ASSETS	\$	<u>122,657</u>
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LIABILITIES AND FUND BALANCE

LIABILITIES:

Cash Overdraft	\$	34,939
Accounts payable		15,619
Due to State		-
Accrued payroll and related		-
Accrued sick & vacation leave		-
Deferred revenue		-

TOTAL LIABILITIES		<u>50,558</u>
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FUND BALANCE:

Designated for:		
Capital Outlay		-
Other		-
Unreserved		72,099

TOTAL FUND BALANCE		<u>72,099</u>
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TOTAL LIABILITIES AND FUND BALANCE	\$	<u>122,657</u>
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COUNTY OF MARQUETTE, MICHIGAN

COUNTY REMONUMENTATION FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL**

For the Fiscal Year Ended December 31, 2007

		2007		
		Final Amended Budget	Actual	Variance
REVENUES:				
State sources		204,428	218,864	14,436
Charges for services		-	-	-
Other		-	-	-
TOTAL REVENUES	\$	\$ 204,428	\$ 218,864	\$ 14,436
EXPENDITURES:				
Public Records:				
Personnel services		2,717	1,010	1,707
Supplies		2,988	2,287	701
Other services and charges		198,723	201,141	(2,418)
Capital outlay		-	-	-
TOTAL EXPENDITURES		\$ 204,428	\$ 204,438	\$ (10)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES		-	14,426	14,426
OTHER FINANCING SOURCES(USES):				
Transfers in		-	-	-
Transfers out		-	-	-
TOTAL OTHER FINANCING SOURCES(USES)		-	-	-
CHANGES IN FUND BALANCE		-	14,426	14,426
Fund balance, beginning of year		57,673	57,673	-
FUND BALANCE, END OF YEAR	\$	\$ 57,673	\$ 72,099	\$ 14,426

COUNTY OF MARQUETTE, MICHIGAN
REGISTER OF DEEDS AUTOMATION FUND
BALANCE SHEET
December 31, 2007

ASSETS

Cash and investments	\$ 126,307
Receivables	-
Due from State	-
Due from other funds	-
Loans Receivable	-
Other Assets	-
	<hr/>

TOTAL ASSETS	\$ 126,307
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LIABILITIES AND FUND BALANCE

LIABILITIES:

Cash Overdraft	\$ -
Accounts payable	-
Due to State	-
Due to other funds	-
Accrued payroll and related	-
Accrued sick & vacation leave	-
Deferred revenue	-
	<hr/>

TOTAL LIABILITIES	-
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FUND BALANCE:

Designated for:	
Capital Outlay	-
Other	-
Unreserved	126,307
	<hr/>

TOTAL FUND BALANCE	126,307
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TOTAL LIABILITIES AND FUND BALANCE	\$ 126,307
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COUNTY OF MARQUETTE, MICHIGAN

REGISTER OF DEEDS AUTOMATION FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL**

For the Fiscal Year Ended December 31, 2007

		2007		
		Final Amended Budget	Actual	Variance
REVENUES:				
Taxes and Penalties		-	-	-
Federal Sources		-	-	-
State Sources		-	-	-
Interest		500	5,053	4,553
Other		75,725	71,940	(3,785)
TOTAL REVENUES	\$	\$ 76,225	\$ 76,993	\$ 768
EXPENDITURES:				
Public Records:				
Personnel		21,175	1,378	19,797
Supplies		-	-	-
Other services and charges		55,050	49,061	5,989
Capital Outlay		-	150	(150)
TOTAL EXPENDITURES		76,225	50,589	25,636
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES		-	26,404	26,404
OTHER FINANCING SOURCES(USES):				
Transfers in		-	-	-
Transfers out		-	-	-
TOTAL OTHER FINANCING SOURCES(USES)		-	-	-
CHANGES IN FUND BALANCE		-	26,404	26,404
Fund balance, beginning of year		99,903	99,903	-
FUND BALANCE, END OF YEAR	\$	\$ 99,903	\$ 126,307	\$ 26,404

COUNTY OF MARQUETTE, MICHIGAN

REVENUE SHARING FUND

BALANCE SHEET

December 31, 2007

ASSETS

Cash and investments	\$	3,755,541
Receivables		-
Due from State		-
Due from other funds		-
Loans Receivable		-
Other Assets		-

TOTAL ASSETS	\$	<u>3,755,541</u>
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LIABILITIES AND FUND BALANCE

LIABILITIES:

Cash Overdraft	\$	-
Accounts payable		-
Due to State		-
Due to other funds		-
Accrued payroll and related		-
Accrued sick & vacation leave		-
Deferred revenue		-

TOTAL LIABILITIES		<u>-</u>
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FUND BALANCE:

Designated for:		
Capital Outlay		-
Other		-
Unreserved		<u>3,755,541</u>

TOTAL FUND BALANCE		<u>3,755,541</u>
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TOTAL LIABILITIES AND FUND BALANCE	\$	<u>3,755,541</u>
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COUNTY OF MARQUETTE, MICHIGAN

REVENUE SHARING FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL**

For the Fiscal Year Ended December 31, 2007

		2007		
		Final Amended Budget	Actual	Variance
REVENUES:				
Taxes and Penalties		-	-	-
Federal Sources		-	-	-
State Sources		-	-	-
Interest		125,000	130,936	5,936
Other		-	-	-
TOTAL REVENUES	\$	\$ 125,000	\$ 130,936	\$ 5,936
EXPENDITURES:				
Management:				
Personnel		-	-	-
Supplies		-	-	-
Other services and charges		-	-	-
Capital Outlay		-	-	-
TOTAL EXPENDITURES		-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES		125,000	130,936	5,936
OTHER FINANCING SOURCES(USES):				
Transfers in		-	-	-
Transfers out		(1,195,828)	(1,195,828)	-
TOTAL OTHER FINANCING SOURCES(USES)		(1,195,828)	(1,195,828)	-
CHANGES IN FUND BALANCE		(1,070,828)	(1,064,892)	5,936
Fund balance, beginning of year		4,820,433	4,820,433	-
FUND BALANCE, END OF YEAR	\$	\$ 3,749,605	\$ 3,755,541	\$ 5,936

COUNTY OF MARQUETTE, MICHIGAN

ALL INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF NET ASSETS

December 31, 2007

	<u>Service Center Fund</u>	<u>Insurance Fund</u>	<u>Copy & Computer Fund</u>	<u>Total</u>
ASSETS				
Current Assets:				
Cash and investments	\$ 144,318	\$ 594,178	\$ 520,789	\$ 1,259,285
Delinquent tax receivable	-	-	-	-
Accrued interest receivable	-	-	-	-
Accounts receivable	1,920	-	-	1,920
Due from other governmental units	-	-	-	-
Other Assets	-	-	1,289	1,289
Capital assets, net	<u>289,848</u>	<u>-</u>	<u>313,244</u>	<u>603,092</u>
TOTAL CURRENT ASSETS	<u>436,086</u>	<u>594,178</u>	<u>835,322</u>	<u>1,865,586</u>
TOTAL ASSETS	<u>436,086</u>	<u>594,178</u>	<u>835,322</u>	<u>1,865,586</u>
LIABILITIES				
Current Liabilities:				
Accounts payable	\$ 200	\$ -	\$ 5,089	\$ 5,289
Due to other governmental units	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL CURRENT LIABILITIES	<u>200</u>	<u>-</u>	<u>5,089</u>	<u>5,289</u>
TOTAL LIABILITIES	<u>200</u>	<u>-</u>	<u>5,089</u>	<u>5,289</u>
NET ASSETS				
Invested in capital assets, net of related debt	289,848	-	313,244	603,092
Designated - Health Insurance	-	156,000	-	156,000
Unrestricted	<u>146,038</u>	<u>438,178</u>	<u>516,989</u>	<u>1,101,205</u>
TOTAL NET ASSETS	<u>\$ 435,886</u>	<u>\$ 594,178</u>	<u>\$ 830,233</u>	<u>\$ 1,860,297</u>

COUNTY OF MARQUETTE, MICHIGAN

ALL INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

For the Fiscal Year ended December 31, 2007

	Service Center Fund	Insurance Fund	Copy & Computer Fund	Total
OPERATING REVENUES:				
Penalties and interest on taxes	\$ -	\$ -	\$ -	-
Charges for services	1,920	-	369,418	371,338
Interest Earned	-	24,198	-	24,198
Other revenues	-	35,948	17,280	53,228
TOTAL OPERATING REVENUES	<u>1,920</u>	<u>60,146</u>	<u>386,698</u>	<u>448,764</u>
OPERATING EXPENSES:				
Other operating expenses	<u>46,120</u>	<u>15,000</u>	<u>335,015</u>	<u>396,135</u>
TOTAL OPERATING EXPENSES	<u>46,120</u>	<u>15,000</u>	<u>335,015</u>	<u>396,135</u>
OPERATING INCOME (LOSS) BEFORE TRANSFERS	(44,200)	45,146	51,683	52,629
Transfers in	-	-	-	-
Transfers out	-	-	-	-
CHANGE IN NET ASSETS	<u>(44,200)</u>	<u>45,146</u>	<u>51,683</u>	<u>52,629</u>
Net assets, beginning of year	<u>480,086</u>	<u>549,032</u>	<u>778,550</u>	<u>1,807,668</u>
NET ASSETS, END OF YEAR	<u>\$ 435,886</u>	<u>\$ 594,178</u>	<u>\$ 830,233</u>	<u>\$ 1,860,297</u>

COUNTY OF MARQUETTE

ALL INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF CASH FLOWS

For the Fiscal Year Ended December 31, 2007

	Service Center Fund	Insurance Fund	Copy & Computer Fund	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from fees and charges for services	\$ -	\$ -	\$ 369,418	\$ 369,418
Cash received from delinquent taxes	-	-	-	-
Cash paid to employees and suppliers	-	-	(223,216)	(223,216)
Other operating revenues	1,920	60,146	17,280	79,346
Other operating expenses	(20,005)	(15,000)	-	(35,005)
NET CASH PROVIDED(USED)BY OPERATING ACTIVITIES	(18,085)	45,146	163,482	190,543
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Operating transfers in (out)	-	-	-	-
Increase (decrease) in due to other funds	-	-	-	-
NET CASH PROVIDED(USED)BY NONCAPITAL FINANCING ACTIVITIES	-	-	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Cash payments for capital assets	-	-	(103,405)	(103,405)
NET CASH PROVIDED(USED)BY CAPITAL AND RELATED FINANCING ACTIVITIES	-	-	(103,405)	(103,405)
NET INCREASE(DECREASE)IN CASH AND CASH EQUIVALENTS	(18,085)	45,146	60,077	87,138
Cash and cash equivalents, beginning of year	162,403	549,032	460,712	1,172,147
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 144,318	\$ 594,178	\$ 520,789	\$ 1,259,285
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED(USED)BY OPERATING ACTIVITIES:				
Operating Income (Loss)	\$ (44,200)	\$ 45,146	\$ 51,683	\$ 52,629
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	26,115	-	110,890	137,005
Changes in assets & liabilities:				
(Increase) decrease in accounts receivable	-	-	-	-
(Increase) decrease in delinquent taxes receivable	-	-	-	-
(Increase) decrease in accrued interest receivable	-	-	-	-
(Increase) decrease in due from other units	-	-	-	-
(Increase) decrease in other assets	-	-	161	161
Increase (decrease) in accounts payable	-	-	748	748
Increase (decrease) in due to other units	-	-	-	-
NET ADJUSTMENTS	26,115	-	111,799	137,914
NET CASH PROVIDED(USED)BY OPERATING ACTIVITIES	\$ (18,085)	\$ 45,146	\$ 163,482	\$ 190,543

COUNTY OF MARQUETTE, MICHIGAN
INTERNAL SERVICE FUND – SERVICE CENTER

BALANCE SHEET

December 31, 2007

ASSETS

Current Assets:

Cash	\$ 144,318
Accounts receivable	1,920
Buildings and equipment, net	<u>289,848</u>

TOTAL CURRENT ASSETS	<u>436,086</u>
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TOTAL ASSETS	<u>436,086</u>
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LIABILITIES

Current Liabilities:

Accounts Payable	<u>200</u>
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TOTAL CURRENT LIABILITIES	<u>200</u>
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TOTAL LIABILITIES	<u>200</u>
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NET ASSETS

Invested in capital assets, net of related debt	289,848
Unrestricted	<u>146,038</u>

TOTAL NET ASSETS	<u><u>\$ 435,886</u></u>
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COUNTY OF MARQUETTE, MICHIGAN

INTERNAL SERVICE FUND – SERVICE CENTER

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN RETAINED EARNINGS – BUDGET AND ACTUAL**

YEAR ENDED DECEMBER 31, 2007

	2007		
	<u>Final Amended Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES:			
Charges for services			
Rental income – county offices	\$ –	\$ 1,920	\$ 1,920
TOTAL OPERATING REVENUES	<u>–</u>	<u>1,920</u>	<u>1,920</u>
OPERATING EXPENSES:			
Building Operation and Expenses			
Other services and charges	1,725	2,005	(280)
Depreciation	25,272	26,115	(843)
Capital Outlay	<u>20,000</u>	<u>18,000</u>	<u>2,000</u>
TOTAL OPERATING EXPENSES	<u>46,997</u>	<u>46,120</u>	<u>877</u>
OPERATING INCOME(LOSS) BEFORE TRANSFERS	<u>(46,997)</u>	<u>(44,200)</u>	<u>2,797</u>
OTHER FINANCING SOURCES(USES):			
Transfers in	36,760	–	(36,760)
Transfers out	<u>(32,885)</u>	<u>–</u>	<u>32,885</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>3,875</u>	<u>–</u>	<u>(3,875)</u>
CHANGE IN NET ASSETS	<u>(43,122)</u>	<u>(44,200)</u>	<u>(1,078)</u>
Net assets, beginning of year	<u>480,086</u>	<u>480,086</u>	<u>–</u>
NET ASSETS, END OF YEAR \$	<u><u>436,964</u></u>	\$ <u><u>435,886</u></u>	\$ <u><u>(1,078)</u></u>

COUNTY OF MARQUETTE, MICHIGAN
INTERNAL SERVICE FUND – INSURANCE

BALANCE SHEET

December 31, 2007

ASSETS

Current Assets:

Cash	\$ 594,178
Accounts Receivable	<u>–</u>

TOTAL CURRENT ASSETS	<u>594,178</u>
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TOTAL ASSETS	<u>594,178</u>
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LIABILITIES:

Current Liabilities:

Accounts Payable	<u>–</u>
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TOTAL CURRENT LIABILITIES	<u>–</u>
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TOTAL LIABILITIES	<u>–</u>
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NET ASSETS

Designated – Health Insurance	156,000
Unrestricted	<u>438,178</u>

TOTAL NET ASSETS	<u><u>\$ 594,178</u></u>
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COUNTY OF MARQUETTE, MICHIGAN

INTERNAL SERVICE FUND – INSURANCE

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN RETAINED EARNINGS – BUDGET AND ACTUAL**

YEAR ENDED DECEMBER 31, 2007

	2007		
	Final Amended Budget	Actual	Variance
OPERATING REVENUES:			
Interest earned	\$ 5,000	\$ 24,198	\$ 19,198
Insurance premium reimbursements	25,000	35,948	10,948
TOTAL OPERATING REVENUES	30,000	60,146	30,146
OPERATING EXPENSES:			
Other services and charges	30,000	15,000	15,000
TOTAL OPERATING EXPENSES	30,000	15,000	15,000
OPERATING INCOME(LOSS) BEFORE TRANSFERS	-	45,146	45,146
OTHER FINANCING SOURCES(USES):			
Transfers in	-	-	-
Transfers out	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-
CHANGE IN NET ASSETS	-	45,146	45,146
Net assets, beginning of year	549,032	549,032	-
NET ASSETS, END OF YEAR \$	\$ 549,032	\$ 594,178	\$ 45,146

COUNTY OF MARQUETTE, MICHIGAN

INTERNAL SERVICE FUND – COPY/COMPUTER

BALANCE SHEET

December 31, 2007

ASSETS

Current Assets:

Cash	\$	520,789
Receivables		-
Other Assets		1,289
Equipment, net		313,244

TOTAL CURRENT ASSETS 835,322

TOTAL ASSETS 835,322

LIABILITIES:

Current Liabilities:

Accounts Payable		5,089
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TOTAL CURRENT LIABILITIES 5,089

TOTAL LIABILITIES 5,089

NET ASSETS

Invested in capital assets, net of related debt		313,244
Unrestricted		516,989

TOTAL NET ASSETS \$ 830,233

COUNTY OF MARQUETTE, MICHIGAN

INTERNAL SERVICE FUND – COPY/COMPUTER

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN RETAINED EARNINGS – BUDGET AND ACTUAL**

YEAR ENDED DECEMBER 31, 2007

		2007		
		<u>Final Amended Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES:				
State Grants	\$	3,500	\$ -	\$ (3,500)
Copy Charges		42,000	35,546	(6,454)
Other services and charges		333,872	333,872	-
Other		17,500	17,280	(220)
TOTAL OPERATING REVENUES		<u>396,872</u>	<u>386,698</u>	<u>(10,174)</u>
OPERATING EXPENSES:				
Personnel		10,438	10,182	256
Supplies		13,320	12,832	488
Other services and charges		205,715	200,368	5,347
Depreciation		112,600	110,890	1,710
Capital outlay		232,600	743	231,857
TOTAL OPERATING EXPENSES		<u>574,673</u>	<u>335,015</u>	<u>239,658</u>
OPERATING INCOME(LOSS) BEFORE TRANSFERS		<u>(177,801)</u>	<u>51,683</u>	<u>229,484</u>
OTHER FINANCING SOURCES(USES):				
Transfers in		-	-	-
Transfers out		-	-	-
TOTAL OTHER FINANCING SOURCES (USES)		<u>-</u>	<u>-</u>	<u>-</u>
CHANGE IN NET ASSETS		<u>(177,801)</u>	<u>51,683</u>	<u>229,484</u>
Net assets, beginning of year		<u>778,550</u>	<u>778,550</u>	<u>-</u>
NET ASSETS, END OF YEAR	\$	<u><u>600,749</u></u>	\$	<u><u>830,233</u></u>
			\$	<u><u>229,484</u></u>

COUNTY OF MARQUETTE, MICHIGAN

FIDUCIARY FUNDS

COMBINING STATEMENT OF NET ASSETS

December 31, 2007

		Trust & Agency Fund		Payroll Fund		Penal Fines Fund		Total
ASSETS								
Cash and investments	\$	1,828,861	\$	20,000	\$	13,239	\$	1,862,100
Due from other funds		<u>-</u>		<u>-</u>		<u>-</u>		<u>-</u>
Total Assets	\$	<u>1,828,861</u>	\$	<u>20,000</u>		<u>13,239</u>	\$	<u>1,862,100</u>
LIABILITIES								
Due to other funds		-		20,000		-		20,000
Due to other		<u>1,828,861</u>		<u>-</u>		<u>13,239</u>		<u>1,842,100</u>
Total Liabilities		<u>1,828,861</u>		<u>20,000</u>		<u>13,239</u>		<u>1,862,100</u>
Total Net Assets	\$	<u>-</u>	\$	<u>-</u>		<u>-</u>	\$	<u>-</u>



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Daniel E. Bianchi, CPA

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

The Board of Commissioners of the
County of Marquette, Michigan
234 W. Baraga Avenue
Marquette, Michigan 49955

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Marquette, Michigan, as of and for the year ended December 31, 2007, which collectively comprise the County of Marquette, Michigan's basic financial statements and have issued our report thereon dated June 1, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County of Marquette, Michigan's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County of Marquette, Michigan's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County of Marquette, Michigan's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affect the County of Marquette, Michigan's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the County of Marquette, Michigan's financial statements that is more than inconsequential will not be prevented or detected by the County of Marquette, Michigan's internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting as items 07-01 and 07-03, 07-04 and 07-05.

The Board of Commissioners of the
County of Marquette, Michigan

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the County of Marquette, Michigan's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County of Marquette, Michigan's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Governmental Auditing Standards* and are described in the accompanying schedule of findings and questioned costs as items 07-2.

The County of Marquette, Michigan's response to the significant deficiencies identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the County of Marquette, Michigan's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the management, board, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Anderson, Tackman & Company, PLLC
Certified Public Accountants

June 1, 2008



ANDERSON, TACKMAN & COMPANY, P.L.C.
Certified Public Accountants

MICHIGAN
Escanaba
Iron Mountain
Kinross
Marquette

PARTNERS

John W. Blemberg, CPA

Robert J. Downs, CPA

Daniel E. Bianchi, CPA

WISCONSIN
Green Bay
Milwaukee

County of Marquette, Michigan
Report to Management Letter
For the Year Ended December 31, 2007

The Board of Commissioners of the
County of Marquette, Michigan
234 W. Baraga Avenue
Marquette, MI 49855

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Marquette, Michigan as of and for the year ended December 31, 2007, in accordance with auditing standards generally accepted in the United States of America, we considered the County of Marquette, Michigan's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County of Marquette, Michigan's internal control. Accordingly, we do not express an opinion on the effectiveness of the County of Marquette, Michigan's internal control.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above. However, we identified the following deficiencies in internal control that we consider to be significant deficiencies.

Significant Deficiencies

07-01 (REPEAT) Condition/Criteria: At December 31, 2007 the County of Marquette, Michigan had cash deficits in several of their funds, as shown in Footnotes to the financial statements.

Effect: The advances become permanent working capital loans.

Cause of Condition: Cash advances and funding of accounts receivable are not being repaid in a timely fashion.

Recommendation: The County of Marquette, Michigan needs to monitor all advances such that they do not become permanent working capital loans.

Management Response - Corrective Action Plan:

- Contact Person(s) Responsible for Correction:
 - Sue Vercoe, Controller
- Corrective Action Planned:
 - The timing of advances and accounts receivable payments will be closely monitored.
- Anticipated Completion Date:
 - December 31, 2008

Instances of Non-compliance

07-02 (REPEAT) Condition/Criteria: Public Act 621 of 1978, Section 18 (1) as amended, provides that counties shall not incur expenditures in excess of the amount appropriated. In the body of the financial statements, the County of Marquette, Michigan had actual expenditures and budgeted expenditures as shown in Footnotes to the Financial Statements. The approved budgets of these funds were adopted on an activity and/or program level. During the year ended December 31, 2007, the County of Marquette, Michigan incurred functional expenditures which were in excess of the amounts appropriated as shown within the basic financial statements.

Effect: The County of Marquette, Michigan is not in compliance with State Law.

Cause of Condition: Failure to amend the budgets during the year based on the level of expenditures.

Recommendation: The County of Marquette, Michigan should strictly control expenditures in each governmental fund so as not to exceed the original appropriation. When this is not possible, the budget should be amended accordingly.

Management Response - Corrective Action Plan:

- Contact Person(s) Responsible for Correction:
 - Sue Vercoe, Controller
- Corrective Action Planned:
 - The budget will be more closely monitored and budget amendments will be made accordingly.
- Anticipated Completion Date:
 - December 31, 2008

Significant Deficiencies

07-03 - SEGREGATION OF DUTIES - WATER/SEWER UTILITY BILLINGS

Condition/Criteria: The accounting staff for the Water/Sewer Utility Billing's Department made up of one individual, which does not allow for segregation of duties.

Effect: Because of the limited staff, there is an increased chance that misstatements in financial statements would not be prevented or detected on a timely basis.

Cause of Condition: The size of the organization's accounting staff at the Utilities Department precludes certain internal design controls that would be preferred in the office if staffing were large enough to provide optimum segregation of duties.

Recommendation: We recommend that the Accounting Department continue to closely monitor the day to day operations of the water and Sewer Utility Department.

Management Response - Corrective Action Plan:

- Contact Person(s) Responsible for Correction:
 - Sue Vercoe, Controller
- Corrective Action Planned:
 - The County of Marquette, Michigan is reviewing the accounting policies and procedures for the entire County to develop improved Internal control policies.
- Anticipated Completion Date:
 - December 31, 2008

Significant Deficiencies

07-04 - INTERNAL CONTROL OVER DISBURSEMENTS

Condition/Criteria: When reviewing the disbursement procedures of the County of Marquette, Michigan we noted the following issues regarding proper internal control over the Disbursement process: Signed Checks are kept in a regular cabinet prior to disbursement and the review of checks and supporting documentation is not being documented.

Effect: Because of the missing internal controls, there is an increased chance that misstatements in financial statements would not be prevented or detected on a timely basis.

Cause of Condition: The internal control over the disbursement process has not been reviewed, updated or monitored for the past few years.

Recommendation: We recommend that the Accounting Department review and improve the internal controls over the disbursement process of the County of Marquette, Michigan.

Management Response - Corrective Action Plan:

- Contact Person(s) Responsible for Correction:
 - Sue Vercoe, Controller
- Corrective Action Planned:
 - The County of Marquette, Michigan is reviewing the accounting policies and procedures for the entire County to develop improved Internal control policies.
- Anticipated Completion Date:
 - December 31, 2008

Significant Deficiencies

07-05 - INTERNAL CONTROL OVER BANK ACCOUNTS AND RECONCILIATIONS

Condition/Criteria: When reviewing the bank reconciliation process with noted that there are several bank accounts that are not in the Treasurer's name and Reconciliations are not being completed between the off-site locations and the Treasurer's Office. According to the Accounting Procedures Manual, the county treasurer must reconcile each month's bank statement and provide the off-site location with a copy of the bank reconciliation. Additionally, the Accounting Procedures Manual requires that all County bank accounts are in the Treasurer's Name.

Effect: Because of the missing accounts and reconciliations, there is an increased chance that misstatements in financial statements or misappropriation of cash would not be prevented or detected on a timely basis.

Cause of Condition: The off-site locations are not following the Accounting Procedures Manual.

Recommendation: We recommend that the Accounting Department & Treasurer's Office review and improve the bank reconciliation process of the County of Marquette, Michigan.

Management Response - Corrective Action Plan:

- Contact Person(s) Responsible for Correction:
 - Anne Giroux, County Treasurer
- Corrective Action Planned:
 - The County of Marquette, Michigan is reviewing the accounting policies and procedures for the entire County to develop improved Internal control policies.
- Anticipated Completion Date:
 - December 31, 2008

This communication is intended solely for the information and use of management, the Board of Commissioners and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

We appreciate and would like to thank the County's staff for the cooperation and courtesy extended to us during our audit. We would be pleased to discuss any comments or answer any questions regarding our audit with you at your convenience.

Anderson, Tackman & Company, PLLC
Certified Public Accountants

June 1, 2008



Anderson, Tackman & Company, PLC

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Partners

John W. Blemberg, CPA

Robert J. Downs, CPA, CVA

Daniel E. Bianchi, CPA

June 1, 2008

The Board of Commissioners of the
County of Marquette, Michigan
234 W. Baraga Avenue
Marquette, Michigan 49955

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Marquette, Michigan, as of and for the year ended December 31, 2007, which collectively comprise the County of Marquette, Michigan's basic financial statements and have issued our report thereon dated June 1, 2008. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards and *Government Auditing Standards*

As stated in our engagement letter dated, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

As part of our audit, we considered the internal control of the County of Marquette, Michigan. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatements, we performed test of the County of Marquette, Michigan's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our tests was not to provide an opinion on compliance with such provisions.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters in the engagement letter.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County of Marquette, Michigan are described in Note A to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus.

The Board of Commissioners of the
County of Marquette, Michigan

There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate(s) affecting the financial statements are listed in Note A.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The following material misstatements detected as a result of audit procedures were corrected by management. Recording Capital Asset Activity for the fiscal year, as requested by management.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated June 1, 2008.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

The Board of Commissioners of the
County of Marquette, Michigan

A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affect the County of Marquette, Michigan's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the County of Marquette, Michigan's financial statements that is more than inconsequential will not be prevented or detected by the County of Marquette, Michigan's internal control. We consider the deficiencies described in the accompanying report to management to be significant deficiencies in internal control over financial reporting as items 07-01, 07-03, 07-04 and 07-05.

As part of obtaining reasonable assurance about whether the County of Marquette, Michigan's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Governmental Auditing Standards* and are described in the accompanying report to management as item 07-02.

This information is intended solely for the use of the County of Marquette, Michigan Board of Commissioners and management of the County of Marquette, Michigan and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Anderson, Tackman & Company

Anderson, Tackman & Company, PLC

**COUNTY OF MARQUETTE, MICHIGAN
FEDERAL FINANCIAL ASSISTANCE
For the Year Ended December 31, 2007**

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Board of Commissioners of the
County of Marquette, Michigan
234 W. Baraga Avenue
Marquette, Michigan 49955

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Marquette, Michigan, as of and for the year ended December 31, 2007, which collectively comprise the County of Marquette, Michigan's basic financial statements and have issued our report thereon dated June 1, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County of Marquette, Michigan's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County of Marquette, Michigan's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County of Marquette, Michigan's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

The Board of Commissioners of the
County of Marquette, Michigan

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affect the County of Marquette, Michigan's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the County of Marquette, Michigan's financial statements that is more than inconsequential will not be prevented or detected by the County of Marquette, Michigan's internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting as items 07-01, 07-03, 07-04 and 07-05.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the County of Marquette, Michigan's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County of Marquette, Michigan's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Governmental Auditing Standards* and are described in the accompanying schedule of findings and questioned costs as items 07-02.

The County of Marquette, Michigan's response to the significant deficiencies identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the County of Marquette, Michigan's response and, accordingly, we express no opinion on it.

The Board of Commissioners of the
County of Marquette, Michigan

This report is intended solely for the information and use of the management, board, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Anderson, Tackman & Company, PLLC
Certified Public Accountants

June 1, 2008



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Daniel E. Bianchi, CPA

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO
EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

The Board of Commissioners of the
County of Marquette, Michigan
234 W. Baraga Avenue
Marquette, Michigan 49955

Compliance

We have audited the compliance of the County of Marquette, Michigan with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2007. The County of Marquette, Michigan's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County of Marquette, Michigan's management. Our responsibility is to express an opinion on the County of Marquette, Michigan's compliance based on our audit.

The County of Marquette, Michigan's basic financial statement include the operations of the Marquette County Road Commission, a Component Unit of the County of Marquette, Michigan, which received \$1,188,426 in federal awards that is not included in the schedule during the year ended December 31, 2007. Our audit, described below, did not include the operations of the Marquette County Road Commission, a Component Unit of the County of Marquette, Michigan because the component unit engaged other auditors to perform an audit in accordance with OMB Circular A-133.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County of Marquette, Michigan's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit report provides a reasonable basis for our opinion. Our audit

The Board of Commissioners of the
County of Marquette, Michigan

does not provide a legal determination of the County of Marquette, Michigan's compliance with those requirements.

In our opinion, the County of Marquette, Michigan complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2007.

Internal Control Over Compliance

The management of the County of Marquette, Michigan is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County of Marquette, Michigan's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County of Marquette, Michigan's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affect the County of Marquette, Michigan's ability to administer a federal program such that there is more than a remote likelihood that a noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 07-1 through 07-5 to be significant deficiencies.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Marquette, Michigan, as of and for the year ended December 31, 2007, and have issued our report thereon dated June 1, 2008. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the County of Marquette, Michigan's basic financial

The Board of Commissioners of the
County of Marquette, Michigan

statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

The County of Marquette, Michigan's response to the findings in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the County of Marquette, Michigan's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the County Board of Commissioners, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Anderson, Tackman & Company, PLLC
Certified Public Accountants

June 1, 2008



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INDEPENDENT AUDITORS' REPORT

The Board of Commissioners of the
County of Marquette, Michigan
234 W. Baraga Avenue
Marquette, Michigan 49955

We have audited the accompanying financial statements of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Marquette, Michigan, as of and for the year ended December 31, 2007, which collectively comprise the County of Marquette, Michigan's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County of Marquette, Michigan's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Marquette County Medical Care Facility, which represents 15 percent, 14 percent, and 48 percent, respectively, of the assets, net assets, and revenues of the Business-type activities. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for Marquette County Medical Care Facility, is based on the report of the other auditors. We did not audit the financial statements of the Marquette County Road Commission, which represents 92 percent, 97 percent, and 98 percent, respectively, of the assets, net assets, and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for Marquette County Road Commission, is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinions.

The Board of Commissioners of the
County of Marquette, Michigan

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Marquette, Michigan, as of December 31, 2007, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 1, 2008, on our consideration of the County of Marquette, Michigan's internal control over financial reporting and our tests of its compliance with certain provision of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 5 through 11 and 49 and 53, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Marquette, Michigan's basic financial statements. The combining and individual fund nonmajor financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Anderson, Tackman & Company, PLLC
Certified Public Accountants

June 1, 2008

County of Marquette, Michigan
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2007

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Pass-Through Grantor Number</u>	<u>2007 Federal Expenditures</u>
U.S. Department of Agriculture			
Passed through the Michigan Department of Education Entitlement Commodities	10.550	520008001	<u>\$1,843</u>
Passed through the Michigan Department of Education National School Lunch Breakfast	10.553	520008001	<u>4,751</u>
Passed through the Michigan Department of Education National School Lunch Program	10.555	520008001	<u>5,230</u>
Passed through the Michigan Department of Community Health Women, Infants, and Children Program	10.557	XX4W1006	<u>182,876</u>
Passed through the Michigan Department of Natural Resources Schools and Roads Grant	10.665	N/A	<u>15,774</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE			<u>208,631</u>
U.S. Department of Housing & Urban Development			
Passed through the Michigan Department of Housing Development Community Development Block Grant	14.228	MSC-2005-0743	125,799
Community Development Block Grant	14.228	MSC 203032-EDIL	<u>29,771</u>
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			<u>155,570</u>
U.S. Department of Housing and Urban Development			
Passed through the Michigan Department of Community Health HOPWA	14.241	MI28H95-FO36	<u>26,646</u>
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			<u>26,646</u>
U.S. Department of Justice			
Passed through the Office of Drug Control Policy UPSET	16.579	N/A	36,267
Passed through the Office of Justice Programs Domestic Violence Grant	16.589	N/A	<u>130,442</u>
Passed through the Bureau of Justice Assistance GREAT for Gwinn Area Community Schools	16.737	2006-JV-FX-0075	<u>122,377</u>
TOTAL U.S. DEPARTMENT OF JUSTICE			<u>252,819</u>
U.S. Department of Transportation			
Passed through the Michigan Department of Transportation (SEE NOTE D)			
Airport Improvement Projects	20.106	3-26-0153-1604	2,833,874
Airport Improvement Projects	20.106	3-26-0153-2006	478,595
Airport Improvement Projects	20.106	3-26-0153-1303	1,275,299
Airport Improvement Projects	20.106	3-26-0153-1504	1,326,683
Airport Improvement Projects	20.106	3-26-0153-1805	285,104
Airport Improvement Projects	20.106	3-26-0153-1906	<u>2,050,974</u>
Sub-Total	20.205		<u>8,250,529</u>
Direct Award			
Small Community Air Service Development Program	20.930	OST-2004-17343	<u>351,176</u>
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			<u>8,601,705</u>
U.S. Environmental Protection Agency			
Passed through the Michigan Department of Community Health Capitalization Grant Drinking Water Revolving Fund	66.468	FS97548704	300
Operator Training Certification Program	66.471	CT975861	<u>1,800</u>
TOTAL U.S. ENVIRONMENTAL PROTECTION AGENCY			<u>2,100</u>

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Pass-Through Grantor Number</u>	<u>2007 Federal Expenditures</u>
U.S. Department of Health and Human Services			
Direct Award			
Special Program for the Aging, Title III, Parts B, D, & F	93.043	93044	\$24,162
Special Program for the Aging, Title III, Parts B, D, & F	93.043	0	1,824
Sub-Total	93.043		<u>25,986</u>
Passed through Pathways			
Alzheimer's Demonstration Project Grant	93.051	93951	<u>36,642</u>
Passed through the Michigan Department of Community Health			
Family Planning	93.217	05H000173	<u>40,964</u>
Federal Vaccine Shipped at Cost	93.268	NA	395,167
Immunization - IAP	93.268	H23-CCH522556	80,534
Immunization - Field Reprehensive	93.268	H23-CCH522556	20,053
Sub-Total	93.268		<u>495,754</u>
Bio-Terrorism - Focus A	93.283	CCU517018	145,587
Bio-Terrorism - Pan Flu	93.283	CCU517018	55,990
Cancer - BCCCP Coordination	93.283	U57-CCU506738	31,234
Cancer - Family Planning Coordination	93.283	U57-CCU506738	2,640
CDI - Chronic Disease - Obesity	93.283	U57-CCU522826	5,480
CDI - Smoking Prevention	93.283	U57-CCU522826	85,000
Sub-Total	93.283		<u>325,931</u>
Passed through the Michigan Department of Human Services			
FOC - Cooperative Reimbursement	93.563	CS/FOC-08-52001	484,771
PA - Cooperative Reimbursement	93.563	CS/PA-08-052002	155,670
Sub-Total	93.563		<u>640,441</u>
Passed through the Michigan Department of Community Health			
Medicaid Administration - Case Management Services	93.778	B1MIMCHS	13,764
Maternal/Child Health Service Block Title V - Case Management Services	93.994	B1MIMCHS	10,259
Maternal/Child Health Service Block Title V - Family Planning	93.994	B1MIMCHS	8,278
Maternal/Child Health Service Block Title V - Local Match	93.994	B1MIMCHS	43,668
Maternal/Child Health Service Block Title V - Oral Health	93.994	B1MIMCHS	35,600
Sub-Total	93.994		<u>97,805</u>
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>1,677,287</u>
Corporation for National and Community Service			
Direct Award			
Retired & Senior Volunteer Program	94.002	94002	7,107
TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE			<u>7,107</u>
U.S. Department of Homeland Security			
Passed through the Michigan Department of State Police			
Emergency Management Performance Grant	97.042	NA	<u>23,881</u>
Passed through the Transportation Security Administration			
Airport Security	97.067	HSTS01-04-A-LEF-077	68,052
Passed through the Michigan Department of State Police			
2005 Homeland Security	97.067	101-530166-4454000	115,611
2005 Homeland Security	97.067	101-530167-4454000	28,809
Sub-Total	97.067		<u>212,472</u>
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			<u>236,353</u>
TOTAL EXPENDITURES OF FEDERAL FINANCIAL ASSISTANCE			<u>\$11,168,218</u>

COUNTY OF MARQUETTE, MICHIGAN
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2007

NOTE A – BASIS OF PRESENTATION:

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the County of Marquette, Michigan and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE B – OVERSIGHT AGENCY:

The U.S. Department of Transportation is the current year's oversight agency for the single audit as determined by the agency providing the largest share of the County's federal financial assistance.

NOTE C – PASS-THROUGH GRANTOR'S NUMBER:

The Pass-Through grantor's number represents the Facility's provider I.D. number. Such other I.D. numbers were not available or provided by State administering agencies.

NOTE D – ROAD COMMISSION:

The County of Marquette, Michigan's basic financial statement include the operations of the Marquette County Road Commission, a Component Unit of the County of Marquette, Michigan, which received \$1,188,426 in federal awards that is not included in the schedule during the year ended December 31, 2007. Our audit, described below, did not include the operations of the Marquette County Road Commission, a Component Unit of the County of Marquette, Michigan because the component unit engaged other auditors to perform an audit in accordance with OMB Circular A-133.

NOTE E – AIRPORT IMPROVEMENT PROJECTS:

During the year ended December 31, 2007, the Airport received and expended \$8,250,529 in federal funding. Projects utilizing this aid were administered by the Michigan Bureau of Aeronautics and will be audited for compliance by the State of Michigan. The State of Michigan is responsible for including these projects in its schedule of expenditures of Federal Awards.

COUNTY OF MARQUETTE, MICHIGAN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2007

Section I - Summary of Auditors' Results

Financial Statements

- Type of auditors' report issued: Unqualified.
- Internal control over financial reporting:
No material weaknesses were identified.
Significant Deficiencies' were reported (refer to Section II).
- Noncompliance items in the basic financial statements were identified (refer to Section II).

Federal Awards

- Internal Control over major programs:
No material weaknesses were identified.
No significant deficiencies not considered to be material weaknesses were identified.
- Type of auditors' report issued on compliance for major programs: Unqualified.
- There were no audit findings that are required to be reported in accordance with Circular A-133, Section .510(a).

Major Programs

<u>CFDA #:</u>	<u>Name of Federal Program:</u>
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20.930	Small Community Air Service Development Program
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93.268	Immunizations
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- Dollar threshold used to distinguish between Type A and Type B programs: \$300,000.
- Auditee qualified as low-risk auditee? Yes.

Section II – Financial Statement Findings

- The following significant deficiency item was noted:

Significant Deficiencies

07-01 (REPEAT) Condition/Criteria: At December 31, 2007 the County of Marquette, Michigan had cash deficits in several of their funds, as shown in Footnotes to the financial statements.

Effect: The advances become permanent working capital loans.

COUNTY OF MARQUETTE, MICHIGAN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2007

Cause of Condition: Cash advances and funding of accounts receivable are not being repaid in a timely fashion.

Recommendation: The County of Marquette, Michigan needs to monitor all advances such that they do not become permanent working capital loans.

Management Response – Corrective Action Plan:

- Contact Person(s) Responsible for Correction:
 - Sue Vercoe, Controller
- Corrective Action Planned:
 - The timing of advances and accounts receivable payments will be closely monitored.
- Anticipated Completion Date:
 - December 31, 2008

Instances of Non-compliance

07-02 (REPEAT) Condition/Criteria: Public Act 621 of 1978, Section 18 (1) as amended, provides that counties shall not incur expenditures in excess of the amount appropriated. In the body of the financial statements, the County of Marquette, Michigan had actual expenditures and budgeted expenditures as shown in Footnotes to the Financial Statements. The approved budgets of these funds were adopted on an activity and/or program level. During the year ended December 31, 2007, the County of Marquette, Michigan incurred functional expenditures which were in excess of the amounts appropriated as shown within the basic financial statements.

Effect: The County of Marquette, Michigan is not in compliance with State Law.

Cause of Condition: Failure to amend the budgets during the year based on the level of expenditures.

Recommendation: The County of Marquette, Michigan should strictly control expenditures in each governmental fund so as not to exceed the original appropriation. When this is not possible, the budget should be amended accordingly.

Management Response – Corrective Action Plan:

- Contact Person(s) Responsible for Correction:
 - Sue Vercoe, Controller
- Corrective Action Planned:
 - The budget will be more closely monitored and budget amendments will be made accordingly.
- Anticipated Completion Date:
 - December 31, 2008

COUNTY OF MARQUETTE, MICHIGAN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2007

Significant Deficiencies

07-03 – SEGREGATION OF DUTIES – WATER/SEWER UTILITY BILLINGS

Condition/Criteria: The accounting staff for the Water/Sewer Utility Billing's Department made up of one individual, which does not allow for segregation of duties.

Effect: Because of the limited staff, there is an increased chance that misstatements in financial statements would not be prevented or detected on a timely basis.

Cause of Condition: The size of the organization's accounting staff at the Utilities Department precludes certain internal design controls that would be preferred in the office if staffing were large enough to provide optimum segregation of duties.

Recommendation: We recommend that the Accounting Department continue to closely monitor the day to day operations of the water and Sewer Utility Department.

Management Response – Corrective Action Plan:

- Contact Person(s) Responsible for Correction:
 - Sue Vercoe, Controller
- Corrective Action Planned:
 - The County of Marquette, Michigan is reviewing the accounting policies and procedures for the entire County to develop improved Internal control policies.
- Anticipated Completion Date:
 - December 31, 2008

Significant Deficiencies

07-04 – INTERNAL CONTROL OVER DISBURSEMENTS

Condition/Criteria: When reviewing the disbursement procedures of the County of Marquette, Michigan we noted the following issues regarding proper internal control over the Disbursement process: Signed Checks are kept in a regular cabinet prior to disbursement and the review of checks and supporting documentation is not being documented, and the signature chip is not stored in a secure location.

Effect: Because of the missing internal controls, there is an increased chance that misstatements in financial statements would not be prevented or detected on a timely basis.

COUNTY OF MARQUETTE, MICHIGAN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2007

Cause of Condition: The internal control over the disbursement process has not been reviewed, updated or monitored for the past few years.

Recommendation: We recommend that the Accounting Department review and improve the internal controls over the disbursement process of the County of Marquette, Michigan.

Management Response – Corrective Action Plan:

- Contact Person(s) Responsible for Correction:
 - Sue Vercoe, Controller
- Corrective Action Planned:
 - The County of Marquette, Michigan is reviewing the accounting policies and procedures for the entire County to develop improved Internal control policies.
- Anticipated Completion Date:
 - December 31, 2008

Significant Deficiencies

07-05 – INTERNAL CONTROL OVER BANK ACCOUNTS AND RECONCILIATIONS

Condition/Criteria: When reviewing the bank reconciliation process with noted that there are several bank accounts that are not in the Treasurer's name and Reconciliations are not being completed between the off-site locations and the Treasurer's Office. According to the Accounting Procedures Manual, the county treasurer must reconcile each month's bank statement and provide the off-site location with a copy of the bank reconciliation. Additionally, the Accounting Procedures Manual requires that all County bank accounts are in the Treasurer's Name.

Effect: Because of the missing accounts and reconciliations, there is an increased chance that misstatements in financial statements or misappropriation of cash would not be prevented or detected on a timely basis.

Cause of Condition: The off-site locations are not following the Accounting Procedures Manual.

Recommendation: We recommend that the Accounting Department & Treasurer's Office review and improve the bank reconciliation process of the County of Marquette, Michigan.

Management Response – Corrective Action Plan:

- Contact Person(s) Responsible for Correction:
 - Anne Giroux, County Treasurer
- Corrective Action Planned:
 - The County of Marquette, Michigan is reviewing the accounting policies and procedures for the entire County to develop improved Internal control policies.
- Anticipated Completion Date:
 - December 31, 2008

COUNTY OF MARQUETTE, MICHIGAN
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2007

Section III – Federal Award Findings and Questioned Costs

- There were no findings and questioned costs relating to the County's major programs.

COUNTY OF MARQUETTE, MICHIGAN
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2007

Section I – Summary of Auditors' Results

- None

Section II – Financial Statement Findings

- The following noncompliance item was noted:

06-1 *Condition/Criteria:* At December 31, 2006 the County of Marquette, Michigan had cash deficits in several of their funds, as shown in Footnote 20 to the financial statements.

Effect: The advances become permanent working capital loans.

Cause of Condition: Cash advances and funding of accounts receivable are not being repaid in a timely fashion.

Recommendation: The County of Marquette, Michigan needs to monitor all advances such that they do not become permanent working capital loans.

Management Response – Corrective Action Plan:

- Contact Person(s) Responsible for Correction:
 - Sue Vercoe, Controller
- Corrective Action Planned:
 - The timing of advances and accounts receivable payments will be closely monitored.
- Anticipated Completion Date:
 - December 31, 2007

- The following instance of noncompliance was noted:

06-2 *Condition/Criteria:* Public Act 621 of 1978, Section 18 (1) as amended, provides that counties shall not incur expenditures in excess of the amount appropriated. In the body of the financial statements, the County of Marquette, Michigan had actual expenditures and budgeted expenditures as shown in Footnotes to the Financial Statements. The approved budgets of these funds were adopted on an activity and/or program level. During the year ended December 31, 2006, the County of Marquette, Michigan incurred functional expenditures which were in excess of the amounts appropriated as shown within the basic financial statements.

COUNTY OF MARQUETTE, MICHIGAN
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2007

Section II – Financial Statement Findings (Continued)

Effect: County of Marquette, Michigan is not in compliance with State Law.

Cause of Condition: Failure to amend the budgets during the year based on the level of expenditures.

Recommendation: The County of Marquette, Michigan should strictly control expenditures in each governmental fund so as not to exceed the original appropriation. When this is not possible, the budget should be amended accordingly.

Management Response:

- Contact Person(s) Responsible for Correction:
 - Sue Vercoe, Controller
- Corrective Action Planned:
 - The budget will be more closely monitored and budget amendments will be made accordingly.
- Anticipated Completion Date:
 - December 31, 2007

Section III – Federal Award Findings and Questioned Costs

- There were no findings and questioned costs relating to the County's major programs.